



北京海光芯正科技股份有限公司
CREALIGHTS TECHNOLOGY CO., LTD.

(A joint stock company established in the People's Republic of China with limited liability)

Stock Code : 1191



GLOBAL
OFFERING

*Sole Sponsor, Overall Coordinator, Sponsor-Overall Coordinator,
Global Coordinator, Bookrunner and Lead Manager*



华泰国际
HUATAI INTERNATIONAL

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



Crealights Technology Co., Ltd. 北京海光芯正科技股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)

Global Offering

Number of Offer Shares under the Global Offering	: 13,431,500 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 1,343,150 H Shares (subject to reallocation)
Number of International Offer Shares	: 12,088,350 H Shares (subject to reallocation and the Over-allotment Option)
Offer Price	: HK\$114.00 per H Share, plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 1191

*Sole Sponsor, Overall Coordinator, Sponsor-Overall Coordinator, Global Coordinator,
Bookrunner and Lead Manager*



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HUATAI INTERNATIONAL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VII, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK\$114.00 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay (subject to application channels), on application, the Offer Price of HK\$114.00 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%.

The Overall Coordinator may, where considered appropriate and with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the Offer Price will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.crealights.com as soon as practicable following such decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For more information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares."

The obligations of the Hong Kong Underwriter under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinator if certain events occur prior to 8:00 a.m. on the Listing Date. For more information, see "Underwriting."

Prior to making an investment decision, prospective investors should consider carefully all the information set out in this prospectus, including the risk factors set out in "Risk Factors."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.crealights.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

June 18, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. Our Company will not provide any printed copies of this Prospectus to the public.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at www.crealights.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

- (1) apply online through the **White Form eIPO** service at www.eipo.com.hk; or
- (2) apply through the **HKSCC EIPO channel** to electronically cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** through HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this Prospectus are identical to the printed Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

IMPORTANT

Your application must be for a minimum of 50 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to prefund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such prefunding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
50	5,757.48	600	69,089.81	7,000	806,047.84	45,000	5,181,736.06
100	11,514.97	700	80,604.78	8,000	921,197.52	50,000	5,757,484.50
150	17,272.46	800	92,119.75	9,000	1,036,347.21	100,000	11,514,969.00
200	23,029.94	900	103,634.72	10,000	1,151,496.90	150,000	17,272,453.50
250	28,787.42	1,000	115,149.69	15,000	1,727,245.36	200,000	23,029,938.00
300	34,544.90	2,000	230,299.38	20,000	2,302,993.80	250,000	28,787,422.50
350	40,302.39	3,000	345,449.06	25,000	2,878,742.26	300,000	34,544,907.00
400	46,059.88	4,000	460,598.75	30,000	3,454,490.70	400,000	46,059,876.00
450	51,817.37	5,000	575,748.46	35,000	4,030,239.16	500,000	57,574,845.00
500	57,574.85	6,000	690,898.15	40,000	4,605,987.60	671,550 ⁽¹⁾	77,328,774.32

Notes:

- (1) Maximum number of Hong Kong Offer Shares you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

EXPECTED TIMETABLE⁽¹⁾

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.crealights.com.

Hong Kong Public Offering commences 9:00 a.m. on
Thursday, June 18, 2026

Latest time for completing electronic applications
under the **White Form eIPO** service through
the designated website at www.eipo.com.hk⁽²⁾: 11:30 a.m. on
Wednesday, June 24, 2026

Application lists for the Hong Kong Public
Offering open⁽³⁾ 11:45 a.m. on
Wednesday, June 24, 2026

Latest time for (a) completing payment for the **White Form eIPO**
applications by effecting internet banking
transfer(s) or PPS payment transfer(s) and (b) giving
electronic application instructions to HKSCC⁽⁴⁾ 12:00 noon on
Wednesday, June 24, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** through HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close⁽³⁾ 12:00 noon on
Wednesday, June 24, 2026

(i) Announcement of:

- an indications of the level of interest in the International Offering, the level of applications in the Hong Kong Public Offering; and
- the basis of allocations of the Hong Kong Offer Shares to be published on our website at www.crealights.com and the website of the Stock Exchange at www.hkexnews.hk. no later than 11:00 p.m. on
Friday, June 26, 2026

(ii) Announcement of results of allocations in the Hong Kong Public Offering to be available through a variety of channels as described in "How to apply for Hong Kong Offer Shares — B. Publication of Results" from 11:00 p.m. on
Friday, June 26, 2026

(iii) Announcement of the Hong Kong Public Offering containing (1) and (2) above to be published on the websites of our Company and the Stock Exchange at www.crealights.com⁽⁶⁾ and www.hkexnews.hk from 11:00 p.m. on
Friday, June 26, 2026

EXPECTED TIMETABLE⁽¹⁾

Results of allocation for the Hong Kong Public Offering

will be available at www.iporesults.com.hk (alternatively:

www.eipo.com.hk/eIPOAllotment) with a “search by ID” function

from 11:00 p.m. on

Friday, June 26, 2026

to 12:00 midnight on

Thursday, July 2, 2026

from the allocation results telephone enquiry line by

calling +852 2862 8555 between 9:00 a.m. and

6:00 p.m. on Monday, June 29, 2026,

Tuesday, June 30, 2026,

Thursday, July 2, 2026 and

Friday, July 3, 2026

Dispatch of H Share certificates or deposit of H Share certificates

into CCASS in respect of wholly or partially successful

applications pursuant to the Hong Kong Public Offering

on or before⁽⁷⁾ Friday, June 26, 2026

Dispatch of **White Form** e-Refund payment

instructions/refund checks on or before⁽⁸⁾ Monday, June 29, 2026

Dealings in the H Shares on the Stock Exchange expected

to commence at 9:00 a.m. on

Monday, June 29, 2026

-
- (i) All dates and times refer to Hong Kong local times and dates, except as otherwise stated.
- (ii) You will not be permitted to submit your application under the **White Form eIPO** service through designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (iii) If there is a “black” rainstorm warning signal or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, June 24, 2026, the application lists will not open and close on that day. See “How to Apply for Hong Kong Offer Shares — E. Severe weather arrangements.”
- (iv) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC through HKSCC’s FINI system should refer to section headed “How to Apply for Hong Kong Offer Shares — A. Applications for Hong Kong Offer Shares — 2. Application Channels.”
- (v) None of the websites or any of the information contained on the website forms part of this Prospectus.
- (vi) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Monday, June 29, 2026, **provided that** the Global Offering has become unconditional in all respects and none of the Underwriting Agreements have been terminated in accordance with its terms at or before that time. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of the H Share certificates and prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (vii) **White Form** e-Refund payment instructions or refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant’s Hong Kong identity card number, national identification document number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number, national identification document number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s Hong Kong identity card number, national identification document number or passport number before encashment of the refund check. Inaccurate completion of an applicant’s Hong Kong identity card number, national identification document number or passport number may invalidate or delay encashment of the refund check.

EXPECTED TIMETABLE⁽¹⁾

The above expected timetable is a summary only. You should read carefully the sections headed “Underwriting” and “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” for details relating to the Structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares, and expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and H Share Certificates.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by our Company, the Sole Sponsor, the Overall Coordinator, the Sponsor-Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Capital Market Intermediary, the Underwriter, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering. Information contained on our website (www.crealights.com) does not form part of this prospectus.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set forth in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a provider of optoelectronic interconnection products, offering optical transceivers, active optical cables (“AOC”), which integrate optical transceivers and fiber cables into a single assembly for high-speed interconnection), and other products. Our optoelectronic interconnection products are widely deployed in AI data centers to support high-speed, high-density and energy-efficient data transmission. We establish end-to-end technological capabilities spanning from chip design to optical transceiver manufacturing, with a focus on silicon photonics (“SiPh”) technology.

Our optical transceiver portfolio covers 100G, 200G, 400G and 800G transmission speeds and is compatible with various industry-standard form factors. All of our single-mode optical transceivers are of 400G and above adopt SiPh technology. Our AOC and other products are diversified to meet varying customer requirements, generating synergies across our product portfolio and creating cross-selling opportunities.

According to Frost & Sullivan, we ranked seventeenth globally among optical transceiver providers by revenue in 2025, with a global market share of 0.8% in terms of revenue in 2025. According to the same source, we ranked eighth globally among Chinese optical transceiver providers in terms of AI optical transceiver, with a global market share of 1.6% by revenue in 2025.

OUR PRODUCTS

We design, manufacture and sell optoelectronic interconnection products, including (i) optical transceivers, (ii) AOC, and (iii) others. As of the Latest Practicable Date, substantially all of our optoelectronic interconnection products were used in AI data centers.

Optical Transceivers

We categorize our optical transceivers by whether they are based on silicon photonics technology or non-silicon photonics technology, namely SiPh optical transceivers and other optical transceivers. During the Track Record Period, we experienced strong growth in revenue generated from SiPh optical transceivers.

SiPh Optical Transceivers

Our SiPh optical transceivers are optical transceivers developed based on silicon photonics technology to apply SiPh chips to single-mode optical transceivers. As of the Latest Practicable Date, our major SiPh optical transceivers all had transmission rates of 400G and above. These products are widely deployed in AI data centers of internet companies, where they support large-scale model training, cloud workloads and backbone network interconnections. We are committed to continuously advancing our SiPh optical transceivers.

As of the Latest Practicable Date, we had four commercialized SiPh optical transceivers and one commercialized SiPh optical transceivers under development.

SUMMARY

Other Optical Transceivers

Our other optical transceivers primarily include 100G, 200G, 400G and 800G multi-mode optical transceivers. Characterized by broad compatibility, advanced technology and cost efficiency, these products are widely adopted in multiple application scenarios, particularly in data centers.

AOC

AOCs are optoelectronic interconnection products that integrate optical transceivers and optical fibers into a single cable assembly, enabling high-speed and low-latency data transmission over short distances with lower power consumption. AOCs complement optical transceivers by serving short-reach interconnection needs within racks or between adjacent devices, whereas optical transceivers are typically used for longer-distance data transmission between servers and switches.

We categorize our AOC by whether they are based on silicon photonics technology or non-silicon photonics technology, namely SiPh AOC and other AOC.

SiPh AOC

As of the Latest Practicable Date, our SiPh AOC were under development. Leveraging our proprietary technologies, we are developing SiPh AOC, such as 400G SiPh AOCs, 800G SiPh AOCs and PCIe 6.0 AOCs to meet the growing market demand for higher bandwidth, lower power consumption and enhanced integration.

Other AOC

Our other AOC products are commercialized and in the mass production phase. Our other AOC products are widely adopted in data centers and other high-speed transmission scenarios.

AEC

AECs are high-speed electrical interconnection products that integrate active equalization and amplification chips at both ends of copper cables to enhance signal integrity and extend transmission distance. AECs complement AOCs and optical transceivers in data center interconnection applications. While AOCs adopt optical fibers to achieve low-loss optical transmission for short- to medium-distance connections, AECs achieve comparable transmission performance through copper conductors, making them suitable for ultra-short distance connections within servers or between closely located devices.

We have commenced commercialization of our AEC products since December, 2025.

OUR BUSINESS MODEL

We primarily operate our business under three models, including (i) the joint design manufacturing (the “**JDM**”) model; (ii) the original design manufacturer (“**ODM**”) model; and (iii) the private label model, to cater to the diverse needs of our customers.

Our JDM Model

With the growing demand for customized optical transceivers from global leading internet companies and cloud service providers, traditional standardized products and fragmented supply chains are no longer sufficient to meet stringent market performance and reliability requirements.

SUMMARY

Benefiting from the long-standing trust and collaboration established with our customers, we are able to gain in-depth insight into their technology roadmaps and product requirements, enabling us to co-develop next-generation optoelectronic interconnection products tailored to their specific needs. In response, we have adopted a JDM model and cooperated with our major customers under the JDM model since 2022.

Under the JDM model, our customers grant us access to their proprietary designs, technical specifications and relevant patent know-how for the purpose of product customization and co-development, while we leverage our advanced R&D and manufacturing capabilities to deliver high-performance, reliable and scalable optical transceiver products that meet their stringent requirements.

Our ODM Model

Under the ODM model, we design and manufacture products based on customer's specifications and requirements, while the final products are marketed and sold under the customer's own brands. This model allows us to leverage our design and R&D capabilities while benefiting from our customers' established brand recognition and distribution networks.

For instance, since 2022, we have collaborated with a leading global interconnect solutions provider, which is both one of our top five customers and top five suppliers during the Track Record Period. Through this cooperation, our products are sold into overseas markets under the customer's brand, facilitating our entry into new geographic markets and customer segments.

Our Private Label Model

Under our Private Label ("PL") Model, we directly supply standardized optical transceivers and optoelectronic interconnection products to customers, which are marketed under our own brands. This model enables us to reach a broader customer base and penetrate markets efficiently.

RESEARCH AND DEVELOPMENT

In 2023, 2024 and 2025, our R&D expenses were RMB42.3 million, RMB63.8 million and RMB104.3 million, representing 24.1%, 7.4%, and 8.5% of our total revenue, respectively. Though the absolute amount of our R&D expenses increased during the Track Record Period, our R&D expenses as the percentage of revenue during the same period generally experienced a downward trend primarily because the growth of our revenue generated has greatly outpaced that of our R&D expenses, representing increased R&D efficiency resulting from enhanced commercialization of R&D outputs. As of December 31, 2025, our R&D team comprised 211 employees, representing approximately 45.1% of our total workforce. Over 31.8% of our R&D employees had an average of ten years of global industry experience, including experience gained at renowned multinational enterprises. See "Business — Research and Development" for further details.

OUR TECHNOLOGIES

Major Technologies in Product Research and Development

The key technologies that we have adopted in our product research and development include, but are not limited to, the following:

- **SiPh Chip Design.** We have developed and maintained our device libraries for our silicon photonics technology. By combining multi-physics simulations (covering electromagnetic, thermal, and photoelectric effects) with empirical wafer test data, we continuously refine

SUMMARY

device models for design accuracy and manufacturing robustness. With our device libraries, we design SiPh chips from architecture definition to layout verification, and collaborate with fabs to achieve high-yield wafer fabrication and stable mass production through closed-loop feedback and process optimization.

- ***Optical and Electrical Design.*** We integrate optical and electrical design capabilities to improve coupling efficiency, signal integrity and overall transmission performance. Our proprietary design libraries and simulation models support rapid iteration and high-precision optimization.
- ***Mechanical and Structural Design.*** We focus on miniaturization, thermal management and modular integration. Our standardized component library and mechanical design tools enable scalable production and consistency in product performance.
- ***Firmware and Automation.*** We develop embedded firmware that ensures multi-protocol interoperability, real-time monitoring and intelligent control over optical/electrical conversion, temperature and power management.
- ***Advanced Manufacturing and Automation.*** We have established automated wafer testing and packaging systems as well as AI-enabled production lines to ensure high yield, quality consistency and traceability throughout the manufacturing process. Our WIMO integration enables a seamless flow from silicon wafer input to optical transceiver output under a digitized manufacturing environment.
- ***Fabrication Process Lab.*** During the design verification stage, we conduct comprehensive evaluations on fabrication processes, including process adhesive strength assessment, Fourier-transform infrared spectroscopy testing, viscosity testing, differential scanning calorimetry testing and die shear testing. These evaluations ensure the reliability and stability of key materials and process parameters prior to mass production.
- ***Reliability Lab.*** We perform full reliability testing before mass production, including high-temperature operating life (“HTOL”), temperature cycling, biased damp heat, electromagnetic interference, and electrostatic discharge tests, as well as other mechanical reliability evaluations. In addition, we have established dedicated reliability test platforms for optoelectronic and SiPh chips, including chip-level HTOL and large-optical-input endurance testing.
- ***System Compatibility Testing Platform.*** Following design verification of products under development, we conduct extensive system compatibility testing to validate product performance across different network environments. Products are tested with network interface cards, switches and other application-specific network equipment from various brands to ensure that both hardware performance and firmware functionality are fully compatible with diversified customer network scenarios.

OUR STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- (i) Founder and Team: Founders with Profound Expertise in Optoelectronic Interconnection Industry and Seasoned Team of Diverse Professional Strengths;

SUMMARY

- (ii) Focus on AI: We Provide High-Speed, Low-Power and Low-Latency Optoelectronic Interconnection Products that Enable AI Computing;
- (iii) Focus on SiPh: Seasoned R&D Team Advancing for the Next-Generation AI Optoelectronic Integration; and
- (iv) Business Model: A Full-Chain from Upstream SiPh Fabs to Downstream Leading Cloud Service Providers.

OUR STRATEGIES

We intend to implement the following strategies:

- (i) Technology: Continuous Advancement of SiPh Technology and Optoelectronic Integration;
- (ii) Production Capacity: Expanding SiPh and Optoelectronic Co-Packaging Capacity to Meet Rapidly Growing Downstream Demand;
- (iii) Domestic Customers: Capturing the Opportunities of China's AI Transformation and Driving Continuous Sales Growth; and
- (iv) Overseas Customers: Deepening Collaboration with Key Partners.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consisted of global leading internet companies and internet companies in China. In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB168.0 million, RMB605.9 million, and RMB961.0 million, respectively, accounting for 95.8%, 70.3%, and 78.7% of our total revenue, respectively. In addition, revenue generated from our largest customer accounted for 48.3%, 25.2%, and 21.0% of our total revenues in 2023, 2024 and 2025, respectively. Please see “Business — Our Customers” for more details.

During the Track Record Period, our suppliers primarily consisted of global and domestic providers of electronic components, optical and electrical parts, printed circuit boards and semiconductor devices. In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB157.3 million, RMB683.3 million and RMB864.3 million, respectively, representing 62.6%, 72.5%, and 56.6% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 24.9%, 29.8%, and 28.4% of our total purchases in 2023, 2024 and 2025, respectively. Please see “Business — Procurement and Supply Chain Management — Supplier Selection and Management — Our Major Suppliers” for more details.

MARKET OPPORTUNITIES

In response to the growing opportunities arising from AI data centers and SiPh technology, we have established a product portfolio centered on high-speed optoelectronic interconnection technologies. Leveraging our deep technological expertise and vertical integrated R&D platform, we believe we are well positioned to capture the significant growth potential in this rapidly expanding market.

SUMMARY

SiPh Technology: The Key to High-Density, High-Speed and Power-Efficient Optical Interconnection

By integrating optical and electronic components on a single chip, SiPh enables close coordination between optical communication and electrical signal processing, combining the precision and scalability of integrated-circuit manufacturing with the high-speed, low-power advantages of photonics. Supported by the manufacturability and cost advantages of silicon materials, SiPh achieves high levels of integration, performance, and energy efficiency, effectively meeting the growing requirements of next-generation optoelectronic integration technologies.

According to Frost & Sullivan, the global SiPh optical transceiver market by sales revenue has grown from RMB20.7 billion in 2021 to approximately RMB63.1 billion in 2025, representing a CAGR of 32.2%, and is expected to further grow to RMB263.3 billion, representing a CAGR of 27.1% from 2026 to 2030.

AI-Driven Demand for High-Speed Optoelectronic Interconnection and Integration

Since 2022, the rapid growth of AI has greatly increased the need for computing power around the world. This has led major tech companies to build and improve AI data center infrastructure all over the world. AI data center networks are accelerating the transition toward next-generation optoelectronic integration technologies. These technologies are being progressively applied in product development, including DSP-based optical transceivers, LPO, LRO and AEC, as well as more advanced NPO and CPO technologies.

COMPETITIVE LANDSCAPE

According to Frost & Sullivan, optical transceivers are core products in optical communication system that enable electro-optical/optical-electrical signal conversion, serving as key interfaces for high-speed, long-reach interconnection within data centers. The optical transceiver industry features high entry barriers due to continuous technological innovation and stringent customer qualification requirements. For further details, please refer to the section headed “Industry Overview” in this prospectus. According to Frost & Sullivan, the prices of optical transceivers and AOCs across various transmission speeds, including 200G, 400G and 800G-and-above products, generally declined industry-wide during the Track Record Period, primarily due to increasingly mature technologies, continuous capacity expansion, intensified market competition and cost reductions achieved through large-scale production. In line with such industry trend and consistent with our industry peers, the average selling prices of each of our 200G, 400G and 800G-and-above optical transceivers and AOCs also decreased during the Track Record Period. We expect the future decline in the prices of 800G and above high-speed optical transceivers and AOCs to moderate, while the prices of 400G and below low-speed optical transceivers and AOCs are expected to continue to decline. As we strategically focus on the 800G-and-above high-speed market and plan to expand our overseas sales, which generally command higher gross profit margins, we believe that the anticipated downward pricing trend will not have a material adverse impact on our financial performance.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants’ Report set out in Appendix I to this prospectus, including the accompanying notes and the information set out in “Financial Information” in this prospectus.

SUMMARY

Summary of Consolidated Statements of Profit or Loss

The following table sets out key items of our consolidated statements of profit or loss for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	175,338	100.0	861,832	100.0	1,221,063	100.0
Cost of sales	(206,642)	(117.9)	(760,019)	(88.2)	(1,111,307)	(91.0)
Gross (loss)/profit	(31,304)	(17.9)	101,813	11.8	109,756	9.0
Other income and gains	6,389	3.6	3,296	0.4	15,791	1.3
Selling and marketing expenses .	(7,675)	(4.4)	(10,131)	(1.2)	(15,750)	(1.3)
Research and development expenses	(42,266)	(24.1)	(63,797)	(7.4)	(104,267)	(8.5)
Administrative expenses	(22,492)	(12.8)	(30,850)	(3.6)	(74,134)	(6.1)
Reversal of impairment/ (impairment) of financial assets, net.	5,431	3.1	(1,973)	(0.2)	(2,755)	(0.2)
Other expenses and losses	(13,072)	(7.5)	(7,559)	(0.9)	(9,653)	(0.8)
Finance costs	(3,252)	(1.9)	(8,537)	(1.0)	(19,126)	(1.6)
Fair value losses on derivative financial instruments	(323)	(0.2)	—	—	—	—
Loss before tax	(108,564)	(61.9)	(17,738)	(2.1)	(100,138)	(8.2)
Income tax expenses	—	—	(157)	(0.0)	—	—
Loss for the year	(108,564)	(61.9)	(17,895)	(2.1)	(100,138)	(8.2)
Other comprehensive (loss)income for the year, net of tax.	—	—	(321)	(0.0)	114	0.0
Total comprehensive loss for the year	(108,564)	(61.9)	(18,216)	(2.1)	(100,024)	(8.2)

For details on the accounting treatment of redemption rights, see “Financial Information — Share Capital” and Note 29 to the Accountants’ Report set out in Appendix I to this prospectus.

We recorded net losses during the Track Record Period primarily because (i) we recorded gross losses in 2023, as we sold a higher proportion of lower-speed products, including optical transceivers and AOC, to reduce inventory levels, while the production and sales of our higher-speed products, including optical transceivers and AOC, were still at a ramp-up stage and had not yet achieved optimal production scale or cost efficiency. Our gross profit margin subsequently turned positive from 2024 onwards, primarily driven by the realization of economies of scale and higher manufacturing efficiency resulting from increased production volume and capacity utilization and (ii) we incurred substantial R&D expenses during the Track Record Period. Our R&D expenses as percentage of our revenue significantly decreased since 2023 as the result of the realization of our R&D output. Our R&D activities primarily focused on next-generation high-speed optical interconnect products, with core projects including 400G QSFP112 optical transceivers, the flagship 800G full-series modules and the development and customer sampling of 1.6T cutting-edge optical transceivers for next-generation computing networks. The above high-speed products have achieved commercial delivery and form a

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standalone high-end high-speed optical transceiver revenue segment. These products generate higher gross margins than traditional low-speed modules and continue to drive our overall revenue and profitability growth.

Revenue

During the Track Record Period, we generated revenue from (i) optical transceivers, (ii) AOC, and (iii) others, mainly comprising optoelectronic components, such as optical sub-assemblies (“OSA”) and chip-on-board (“COB”) assemblies, as well as raw materials, including printed circuit board assemblies (“PCBA”) and other related components. In 2023, 2024 and 2025, our revenue amounted to RMB175.3 million, RMB861.8 million and RMB1,221.1 million, respectively.

Revenue by Business Line

The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Optical transceivers	123,845	70.6	589,721	68.5	923,944	75.7
AOC	46,057	26.3	151,116	17.5	248,127	20.3
Others	5,437	3.1	120,995	14.0	48,992	4.0
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

During the Track Record Period, we have seen strong revenue growth as the result of the increase in both our optical transceivers business line and our AOC business line, as the result of (i) the rapid growth in market demand of our products driven by AI-related applications, (ii) our expanded production capacity and (iii) our advancing product portfolio.

Revenue by Geographical Locations

The following table sets forth a breakdown of our revenue by geographical locations, in absolute amounts and as percentages of our total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
North America						
— the U.S.	84,784	48.4	121,207	14.1	93,798	7.7
Asia						
— Chinese mainland.	76,124	43.4	623,555	72.4	1,099,262	90.0
— Malaysia	—	—	108,865	12.6	13,690	1.1
— Rest of Asia	11,790	6.7	5,539	0.6	9,705	0.8
Europe and others.	2,640	1.5	2,666	0.3	4,608	0.4
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

We experienced steady revenue growth in Chinese mainland during the Track Record Period and in the U.S. from 2023 to 2024. Our revenue from overseas markets decreased from RMB238.3 million in 2024 to RMB121.8 million in 2025, primarily due to a decrease in revenue from Malaysia, following the substantial completion of certain projects of our key customers in 2024.

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Gross (Loss)/Profit and Gross (Loss)/Profit Margin

We recorded gross loss of RMB31.3 million in 2023, representing gross loss margin of 17.9% during the same period, primarily because (i) we sold a higher proportion of lower-speed products and (ii) our higher-speed products were still at a ramp-up stage and had not yet achieved optimal production scale or cost efficiency. We recorded gross profit of RMB101.8 million and RMB109.8 million in 2024 and 2025, representing gross profit margin of 11.8% and 9.0% during the same periods, respectively, primarily driven by the realization of economies of scale and higher manufacturing efficiency resulting from increased production volume and capacity utilization. For details, see “Business — Business Sustainability.”

Gross (Loss)/Profit and Gross (Loss)/Profit Margin by Business Line

The following table sets forth a breakdown of our gross (loss)/profit by business line, in absolute amounts and as percentages of revenue, or gross (loss)/profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Optical transceivers	(31,628)	(25.5)	73,331	12.4	62,308	6.7
AOC	303	0.7	27,150	18.0	43,206	17.4
Others	21	0.4	1,332	1.1	4,242	8.7
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Gross (Loss)/Profit and Gross (Loss)/Profit Margin by Geographical Locations

The following table sets forth a breakdown of our gross (loss)/profit and gross (loss)/profit margin by geographical locations for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	(23,391)	(30.7)	55,717	8.9	75,612	6.9
Overseas	(7,913)	(8.0)	46,096	19.3	34,144	28.0
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Please see “Financial Information — Results of Operations” for more details.

SUMMARY

Summary of Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	166,320	234,700	343,058
Total current assets	270,804	777,164	1,486,955
Total assets	437,124	1,011,864	1,830,013
Total non-current liabilities	38,244	117,503	173,765
Total current liabilities	238,156	682,698	1,070,501
Total liabilities	276,400	800,201	1,244,266
Net current assets	32,648	94,466	416,454
Net assets	160,724	211,663	585,747
Share capital	61,200	62,949	76,111
Reserves	99,524	148,714	509,636
Total equity	160,724	211,663	585,747

For details on the accounting treatment of redemption rights, see “Financial Information — Share Capital” and Note 29 to the Accountants’ Report set out in Appendix I to this prospectus.

Our net current assets increased by 189.3% from RMB32.6 million as of December 31, 2023 to RMB94.5 million as of December 31, 2024, primarily due to (i) the increase in trade and bills receivables, and (ii) the increase in inventories, partially offset by the increase in interest-bearing bank and other borrowings.

Our net current assets increased by 340.9% from RMB94.5 million as of December 31, 2024 to RMB416.5 million as of December 31, 2025, primarily due to (i) the increase in the cash and cash equivalents, and (ii) the increase in inventories, partially offset by the increase in (i) interest-bearing bank borrowings and (ii) trade and bills payables.

Our total equity increased from RMB160.7 million as of December 31, 2023 to RMB211.7 million as of December 31, 2024, primarily attributable to capital paid in shareholders of RMB60.0 million. Our total equity increased from RMB211.7 million as of December 31, 2024 to RMB585.7 million as of December 31, 2025, primarily due to capital paid in shareholders of RMB460.0 million. Please see “Consolidated Statements of Changes in Equity” in the Accountants’ Report in Appendix I to this prospectus.

SUMMARY

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected information from our cash flows for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash flows used in operating activities. . .	(91,042)	(254,808)	(359,097)
Net cash flows generated from/(used in)			
investing activities	(98,804)	(106,912)	(111,032)
Net cash flows generated from financing			
activities.	71,747	411,366	733,376
Net increase/(decrease) in cash and cash			
 equivalents.	(118,099)	49,646	263,247
Cash and cash equivalents at the beginning of			
the year	153,677	32,967	74,963
Cash and cash equivalents at the end of			
 the year	32,967	74,963	334,040

We incurred net cash outflows from operating activities throughout the Track Record Period, with the amount of such outflows increasing over the period, which was primarily attributable to movements in working capital including increase in inventories and increase in trade and bills receivables, which was generally in line with our business expansion and increased sales volume during the Track Record Period.

Please see “Financial Information — Liquidity and Capital Resources — Cash Flows Analysis” for more details.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of December 31,		
	2023	2024	2025
Current ratio ⁽¹⁾	1.1	1.1	1.4
Quick ratio ⁽²⁾	0.6	0.7	0.8
Debt-to-equity ratio ⁽³⁾	99.7%	247.4%	141.4%
Gearing ratio ⁽⁴⁾	1.0	2.5	1.4

	For the year Ended December 31,		
	2023	2024	2025
Gross profit margin ⁽⁵⁾	(17.9)%	11.8%	9.0%

Notes:

- (1) Current ratio is calculated using total current assets divided by total current liabilities.
- (2) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
- (3) Debt-to-equity ratio is calculated using total debt (being the carrying balance of the interest-bearing bank and other borrowings) divided by total equity and multiplied by 100%.
- (4) Gearing ratio equals to total indebtedness (being interest-bearing bank and other borrowings and lease liabilities) divided by total equity.
- (5) Gross profit margin represents gross profit as a percentage of total revenue.

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See “Financial Information — Key Financial Ratios” for more details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to the jurisdictions where we operate, and (iii) risks relating to the Global Offering. These risks include, among others, (1) Any fluctuation in the growth of the end markets that adopt our products could adversely affect our business, financial condition and results of operations, (2) We face significant competition in the industry in which we operate. If we are unable to compete effectively, our results of operations and financial condition could be materially and adversely affected, (3) If we are unable to continuously optimize our product portfolio to adapt to developments in technologies and customer preferences and achieve market acceptance in a timely and cost-effective manner, our prospects and results of operations could be materially and adversely affected, (4) Our success depends to a great extent on our R&D capabilities. Any failure to advance our technologies, enhance our R&D capabilities, or achieve our anticipated R&D milestones could hurt our competitiveness and profitability, and (5) Any product defects or quality instability may adversely affect our business and reputation.

IMPACT OF THE OUTBOUND INVESTMENT RULE BY THE U.S. DEPARTMENT OF THE TREASURY

On October 28, 2024, the U.S. Department of the Treasury (the “**Treasury**”) issued regulations pertaining to U.S. investments in certain national security technologies and products in countries of concern (the “**Outbound Investment Rule**”), which became effective on January 2, 2025.

Our design activities focus on integrated circuits for optical communication applications and do not involve advanced semiconductor manufacturing or design activities referred to in the definition of “prohibited transactions” for the semiconductors and microelectronics sector under the Outbound Investment Rule. However, under the Outbound Investment Rule, the activity of “designing any integrated circuit” is itself identified as a “covered activity” giving rise to a “notifiable transaction” if conducted by a “covered foreign person.” After consultation with Paul Hastings LLP, our legal advisor as to the Outbound Investment Rule, our Directors are of the view that we are a “covered foreign person” and the activity in which we are engaged may be subject to notification requirement.

After consultation with the relevant legal advisor, we are of the view that the Outbound Investment Rule will not have a material adverse impact on our Group, the Global Offering or post-listing trading because (i) although investments by U.S. persons in us likely constitute “notifiable transactions” under the Outbound Investment Rule, they do not constitute “prohibited transactions” under the Outbound Investment Rule, as our business involving the design of integrated circuits for optical communication applications and does not involve advanced semiconductor manufacturing or design activities referred to in the definition of “prohibited transactions” under the Outbound Investment Rule; (ii) Should the purchase of our H Shares in the Global Offering by U.S. persons be considered notifiable transactions, the obligation to report such notifiable transactions to the Treasury lies with the U.S. persons making such investments, and there is no reporting obligation imposed on us under the Outbound Investment Rule; (iii) investments by persons other than U.S. persons as defined under the Outbound Investment Rule are not subject to Outbound Investment Rule and (iv) although investments by U.S. persons in us likely constitute “notifiable transactions” under the Outbound Investment Rule, an exception to the notifiable transactions allows U.S. persons to invest in publicly traded securities as long as certain conditions provided by the Outbound Investment Rule are met.

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Please see “Risk Factors — We are subject to the risks associated with geopolitics, including protectionist trade and national security measures, which could adversely affect our business, financial condition and results of operations” and “Business — Our Sales to the U.S. and Applicable U.S. Laws and Regulations — Outbound investment rule” for details.

BUSINESS SUSTAINABILITY

We recorded loss of RMB108.6 million, RMB17.9 million and RMB100.1 million in 2023, 2024 and 2025, respectively, primarily because we were in the course of a strategic transition from lower-speed products to higher-speed products during the Track Record Period. We had historically demonstrated profitability in 2020 and 2021 when our business was primarily focused on more mature 100G-and-below products, which experienced strong market demand at the time, according to our management account. However, since 2022, as we identified the growing opportunities arising from AI data centers and SiPh technology, we have transited to establish a product portfolio centered on high-speed optoelectronic interconnection technologies. Such transition has temporarily affected our profitability during the Track Record Period, which was generally consistent with the industry trend, as confirmed by Frost & Sullivan.

Although the benefits of such transition and ramp-up had yet to be fully realized during the Track Record Period, we have seen strong revenue growth and improving economies of scale following the inflection point in the commercialization of our R&D output in 2023. We expect to further improve our financial performance and achieve profitability through:

- (i) continuous revenue growth by (a) growing with the market to seize the growth potential, (b) expanding globally by consolidating and scaling up our existing product offerings in overseas markets while actively advancing market qualification and customer certification processes for other higher-speed products to meet overseas customer requirements, (c) deepening collaboration with customers under our diverse collaboration models and (d) continuing to create value and expanding SiPh and optoelectronic co-packaging capacity to meet customers’ demand.
- (ii) enhanced cost efficiency by (a) further leveraging economies of scale and (b) enhancing manufacturing capabilities through production planning, materials management and efficient production, and
- (iii) improved efficiency by (a) improving R&D efficiency resulting from commercialization of R&D results, (b) increasing sales efficiency under the JDM model and (c) optimizing administrative functions through digitalized internal control and financial systems.

See “Business — Business Sustainability.”

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

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SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Hu, Suzhou Haiyi and Suzhou Haixu were collectively interested in 21.11% of the total issued Shares of our Company. Immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme, they will be collectively interested in 17.95% of the total issued Shares of our Company and will remain the single largest group of Shareholders.

PRE-IPO INVESTMENTS

We have engaged in the Pre-IPO Investments with our Pre-IPO Investors. For further details of the identities and background of our Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see “History, Development and Corporate Structure — Pre-IPO Investments.”

SHARE CAPITAL

We entered into respective shareholders’ agreements with various Pre-IPO Investors and issued 48,559,313 ordinary shares for a total net cash proceed of approximately RMB787,139,000 (collectively the “**Pre-IPO Investments**”) with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the agreements, the Pre-IPO Investors were granted by the Company with special rights which included redemption rights, anti-dilution rights and liquidation preference rights.

On October 23, 2025, our Company and the Pre-IPO Investors entered into the Termination Agreement that the redemption rights granted by our Company to Pre-IPO Investors have been irrecoverably terminated and shall be void ab initio. Prior to the execution of the Termination Agreement, there had been no exercise of redemption rights granted by our Company to the Pre-IPO investors, and the only special rights exercised by certain Shareholders were the rights to nominate directors and board observers and the right to information. Taking into account the legal and regulatory framework of our Company’s jurisdiction and the governing law of the supplemental agreements, our Director considered that it is appropriate to present the Pre-IPO Investments as equity.

Had the special rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at fair value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been as follows:

	As of December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial liabilities at fair value through			
profit or loss	1,175,523	1,224,433	—
Total current liabilities	1,413,679	1,907,131	1,070,501
Net current (liabilities)/assets	(1,142,875)	(1,129,967)	416,454
Net (liabilities)/assets	(1,014,799)	(1,012,770)	585,747

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and (ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and diluted loss per share would have been:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fair value losses on financial liabilities at			
fair value through profit or loss	44,359	48,910	16,257
Total net loss	(152,923)	(66,805)	(116,395)
Loss per share			
Basic and diluted (RMB)	(2.50)	(1.08)	(1.61)

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK\$114 per Share
Market capitalization of our Shares ⁽¹⁾	HK\$10,208 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾	HK\$23.55

Notes:

- (1) The calculation of the market capitalization is based on 89,542,045 Shares expected to be in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised).
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in the section headed "Appendix II — Unaudited Pro Forma Financial Information" to this prospectus.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, being approximately RMB1,221.1 million, which is over HK\$500 million required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of Listing based on the Offer Price exceeds HK\$4 billion.

DIVIDENDS

No dividends have been paid or declared by us during the Track Record Period.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio, and we may distribute dividends by way of cash or by other means that our Board considers appropriate. Pursuant to the Articles of Association, any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. In our company, our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other conditions that our Board may deem relevant. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. Under applicable PRC laws, dividends may be paid only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and required allocations to statutory capital reserve funds. As advised by our PRC Legal Advisor, we cannot pay dividends to our Shareholders as there is no distributable

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profits in view of the accumulated losses. Furthermore, in the future, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. See “Risk Factors — Risks Relating to our Business and Industry — There can be no assurance as to whether and when we will declare and distribute any dividends.” In addition, our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds of HK\$1,415.3 million after deducting underwriting fees and commissions and estimated offering expenses paid and payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$114 per Offer Share. We intend to use the proceeds from the Global Offering for the purposes set forth below:

- approximately 53.4% of the net proceeds, or HK\$756.3 million, is expected to be used for expanding our production capacity for optical transceivers, and other optoelectronic interconnection products, and enhancing automation across our product lines;
- approximately 35.0% of the net proceeds, or HK\$496.0 million, is expected to be used for continuous investment in the research and development of new products and technologies over the next three years;
- approximately 1.5% of the net proceeds, or HK\$21.5 million, is expected to be used for business promotion and market expansion initiatives over the next three years; and
- approximately 10.0% of the net proceeds, or HK\$141.5 million, is expected to be used for working capital and for general corporate purposes.

Please see “Future Plans and Use of Proceeds” for details.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the Offer Price of HK\$114 per Offer Share and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately HK\$116 million, accounting for approximately 9% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$69 million, professional fees for our legal advisors and Reporting Accountants of HK\$30 million and other fees and expenses of HK\$17 million. An estimated amount of HK\$40 million for our listing expenses, accounting for approximately 3% of our gross proceeds, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$76 million is expected to be recognized directly as a deduction from equity upon the Listing. Approximately HK\$18 million of listing expenses was charged to our consolidated statements of profit or loss in 2025.

PRE-IPO SHARE OPTION SCHEME

We adopted the Pre-IPO Share Option Scheme on October 23, 2025. For details, see “Statutory and General Information.” As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 2,800,000 Shares, representing approximately 3.13% of the issued Shares immediately following the completion of the Global Offering (assuming that (1) the

SUMMARY

Over-allotment Option is not exercised; and (2) no Shares are issued under the Pre-IPO Share Option Scheme). Assuming full exercise of all outstanding Options, the shareholding of the Shareholders immediately following completion of the Global Offering (assuming that (1) all Options are exercised; (2) the Over-allotment Option is not exercised; and (3) no further Shares are issued under the Pre-IPO Share Option Scheme) and our earnings per Share will be diluted by approximately 3.03%.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In the second quarter of 2026, we entered into a strategic cooperation agreement with a leading industry partner for cooperation on the development and commercialization of CPO/NPO solutions for AI computing infrastructure applications. In the first quarter of 2026, we entered into a three-year JDM collaboration agreement with a major optical connectivity provider; in addition, we received the Lightwave Innovation Award, a leading industry award in the global optical communication industry, for our high-speed optical transceivers, demonstrating recognition of our technological capabilities and product performance.

We expect to remain loss-making and net operating cash outflow position in 2026, primarily because we expect to continuously invest in our research and development activities in order to stay competitive to capture opportunities arising from the rapid development of AI technologies. For more details on the risk relating to our future financial performance, see “Risk Factors — We incurred net loss during the Track Record Period. An inability to manage our growth effectively may have an adverse impact on our business, future prospects, and financial condition.”

Our Directors have confirmed that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this prospectus.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms.”

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in “Appendix I”
“affiliate(s)”	with respect to any specified person, or any other person, directly or indirectly, controlling or controlled by, or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company conditionally adopted on October 23, 2025 with effect from the Listing Date, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in “Appendix V — Summary of Articles of Association”
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Beijing Crealights”	Beijing Crealights Technology Co., Ltd. (北京海光芯誠半導體科技有限公司), a limited liability company established under the laws of the PRC on April 9, 2024 and our wholly-owned subsidiary
“Board” or “Board of Directors”	our board of Directors of our Company
“Bookrunner”	the bookrunner as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Capital Market Intermediary(ies)”	the capital market intermediaries as set out in “Directors, Supervisors and Parties Involved in the Global Offering”
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China (中華人民共和國) and for the purpose of this prospectus only and for geographical reference only, except where the context requires, references in this prospectus to “China” and the “PRC” do not apply to Hong Kong SAR, Macau Special Administrative Region and Taiwan Region
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Crealights Technology Co., Ltd. (北京海光芯正科技股份有限公司), a limited liability company established under the laws of the PRC on November 1, 2011 and converted into a joint stock company with limited liability on December 22, 2020
“Compliance Adviser”	Gram Capital Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Dr. Hu”	Dr. Hu Zhaoyang (胡朝陽), founder of our Group, chairman of our Board, executive Director, and chief executive officer of our Company
“EAR”	United States Export Administration Regulations, 15 C.F.R. Parts 730-774
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Employee Incentive Platforms”	Suzhou Haiyi and Suzhou Haixu
“Exchange Participant”	a person (a) who, in accordance with the Rules of the Stock Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to a serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon No. 8 or above is replaced with Typhoon Signal No. 3 or below
“FINI”	Fast Interface for New Issuance, a software platform developed by HKSCC to manage the Hong Kong public offering settlement process

DEFINITIONS

“Frost & Sullivan” or “Industry Consultant”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
“Global Coordinator”	the global coordinator as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “we” or “us”	our Company and its subsidiaries from time to time
“Guide”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which will be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS, to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong”, “HK” or “Hong Kong SAR”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Offer Shares”	1,343,150 H Shares (subject to reallocation as set out in “Structure of the Global Offering”) initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), on and subject to the terms and conditions as set out in “Structure of the Global Offering — The Hong Kong Public Offering”
“Hong Kong Underwriter”	the underwriter as set out in “Underwriting — Hong Kong Underwriter”
“Hong Kong Underwriting Agreement”	the underwriting agreement dated June 16, 2026 relating to the Hong Kong Public Offering entered into by, among others, our Company, Dr. Hu, Suzhou Haixu, Suzhou Haiyi, the Sole Sponsor, the Overall Coordinator, the Sponsor-Overall Coordinator and the Hong Kong Underwriter, as set out in “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement”
“independent third party(ies)”	entity(ies) or person(s) which, to the best of our Directors’ knowledge, information, and belief having made all reasonable enquiries, is/are not a connected person(s) of our Company within the meaning of the Listing Rules
“International Offer Shares”	12,088,350 H Shares (subject to reallocation and the exercise of the Over-allotment Option as set out in “Structure of the Global Offering”) initially offered by our Company pursuant to the International Offering
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price in offshore transactions outside the United States in reliance on Regulation S, as set out in “Structure of the Global Offering”
“International Underwriter”	the international underwriter who is expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or around Thursday, June 25, 2026 by, among others, our Company, Dr. Hu, Suzhou Haixu, Suzhou Haiyi, the Sole Sponsor, the Overall Coordinator, the Sponsor-Overall Coordinator and the International Underwriter, as set out in “Underwriting — Underwriting Arrangements and Expenses — The International Offering — International Underwriting Agreement”
“Latest Practicable Date”	June 8, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication

DEFINITIONS

“Lead Manager”	the lead manager as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	the date expected to be on or about Monday, June 29, 2026, on which the H Shares are listed and from which dealings therein are permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from, and operated in parallel with, GEM of the Stock Exchange
“Nanjing Crealights”	Nanjing Crealights Technology Co., Ltd. (南京海芯誠科技有限公司), a limited liability company established under the laws of the PRC on February 17, 2025 and our wholly-owned subsidiary
“Nantong Crealights”	Nantong Crealights Technology Co., Ltd. (南通海光芯創科技有限公司), a limited liability company established under the laws of the PRC on October 28, 2020 and our wholly-owned subsidiary
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board
“Offer Price”	HK\$114.00, being the price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for or purchased pursuant to the Global Offering
“Offer Share(s)”	the Hong Kong Offer Share(s) and/or the International Offer Share(s), as the context may require
“Overall Coordinator”	the overall coordinator as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Over-allotment Option”	the option granted by our Company to the International Underwriter, exercisable by the Overall Coordinator pursuant to the International Underwriting Agreement to require our Company to allot and issue up to an aggregate of 2,014,700 additional H Shares at the Offer Price, representing approximately 15% of the Offer Shares initially available under the Global Offering, to cover, among other things, over-allocations in the International Offering, if any
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“PRC Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	Grandall Law Firm (Nanjing), our legal advisor as to PRC law
“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investors, the details of which are set out in “History, Development and Corporate Structure”
“Pre-IPO Investor(s)”	the investor(s) as set out in “History, Development and Corporate Structure”
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by our Company on October 23, 2025
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“Singapore Crealights”	Crealights Technology Pte. Ltd., a private company limited by shares incorporated under the laws of Singapore on December 19, 2023 and our wholly-owned subsidiary
“Sole Sponsor”	the sole sponsor as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Sponsor-Overall Coordinator”	the sponsor-overall coordinator as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Stabilizing Manager”	Huatai Financial Holdings (Hong Kong) Limited
“State Council”	State Council of the PRC (中華人民共和國國務院)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Suzhou Crealights”	Suzhou Crealights Technology Co., Ltd. (蘇州海光芯誠科技有限公司), a limited liability company established under the laws of the PRC on July 7, 2025 and our wholly-owned subsidiary
“Suzhou Haixu”	Suzhou Haixu Investment Management Partnership Enterprise (Limited Partnership) (蘇州海旭投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 29, 2015 and one of our Employee Incentive Platforms
“Suzhou Haiyi”	Suzhou Haiyi Investment Management Partnership Enterprise (Limited Partnership) (蘇州海怡投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 6, 2015 and one of our Employee Incentive Platforms
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the financial years ended December 31, 2023, 2024 and 2025
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Trial Measures” or “Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023
“Underwriter”	the Hong Kong Underwriter and the International Underwriter
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi, held by domestic Shareholders and not listed or traded on any stock exchange
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollar” or “US\$”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“VAT”	value-added tax
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“%”	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

For the purpose of this prospectus, references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

Certain amounts and percentage figures included in this prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this prospectus that relate to our business and the industry in which we operate. These terms and their meanings may not always correspond to standard industry meanings or usages of these terms.

“AEC”	Active Electrical Cable, an electrical cable with built-in electronics to extend reach and maintain signal integrity at high data rates
“ASIC”	Application-specific Integrated Circuit, a customized chip designed for a particular application or function, offering high performance and energy efficiency compared to general-purpose processors
“CMOS”	Complementary Metal-oxide-semiconductor, a mainstream semiconductor process technology used for fabricating integrated circuits
“CPO”	Co-packaged Optics, a technology that integrates optical components directly with switch or compute application-specific integrated circuit within the same package, enabling higher bandwidth density, lower power consumption and reduced latency compared with traditional pluggable optical modules
“CPU”	Central Processing Unit, the primary processing component of a computer that executes instructions and manages most computational tasks
“CWDM4”	Coarse Wavelength Division Multiplexing 4-lane, a 4-lane optical transmission standard that uses coarse wavelength division multiplexing for 2 km single-mode fiber links
“DMUX”	Demultiplexer, a device that separates a single input signal into multiple output channels for signal distribution
“DR4”	Distance Reach, an optical interface specification, using four parallel single-mode fiber lanes (each typically transmitting 100 Gbps or 200 Gbps) to achieve an aggregate data rate of 400 Gbps or 800 Gbps over a transmission distance of up to approximately 500 meters
“FPGA”	Field-Programmable Gate Array, a reconfigurable integrated circuit that can be programmed after manufacturing, often used for hardware prototyping, or specialized computing tasks
“FR4”	Fiber Reach, an optical interface specification, using single-mode fiber lane (typically transmitting 100 Gbps or 200 Gbps) to achieve an aggregate data rate of 400 Gbps or 800 Gbps over a transmission distance of up to approximately two kilometers
“GPU”	Graphics Processing Unit
“LPO”	Linear Pluggable Optics

GLOSSARY OF TECHNICAL TERMS

“LRO”	Linear Receiver Optics
“MPO”	Multi-Fiber Push-On/Pull-Off Connector, a fiber optic connector that allows multiple optical fibers to be connected in a single interface, enabling high-density, high-speed data transmission in data centers and telecommunication systems
“MUX”	Multiplexer, a device that combines multiple input signals into a single output channel for efficient data transmission
“NPO”	Near-packaged Optics, an optical transceiver placing close to, but out-side, the chip package to reduce power loss and improve signal efficiency
“OMA”	Optical Modulation Amplitude, the difference between the optical power levels of the “on” and “off” states of a transmitted signal, indicating the effective signal strength at the receiver
“OSFP”	Octal Small Form-Factor Pluggable, a standardized high-speed optical transceiver form factor that supports eight electrical lanes, typically used for 400G, 800G and 1.6T optical transceivers
“PAM4”	Pulse Amplitude Modulation 4-Level, a signal modulation technique that uses four distinct amplitude levels to encode two bits per symbol, doubling data rate without increasing bandwidth
“PCIe”	Peripheral Component Interconnect Express, a high-speed serial interface standard used to connect components to a computer’s motherboard, providing fast data transfer between the central processing unit and peripheral
“QSFP”	Quad Small Form-Factor Pluggable, a compact, hot-pluggable transceiver that supports four data channels for high-speed network connections such as 40G, 100G, 200G, 400G Ethernet, and other networks
“RHS”	Riding Heat Sink, a mechanical design variation of the OSFP form factor that employs a chassis-mounted heat sink rather than an integrated one on the module itself, enabling enhanced heat dissipation and supporting higher power optical transceivers
“SiPh”	Silicon Photonics
“SR4”	Short Reach 4-lane, short-reach optical interface using four parallel fiber lanes, typically for 100G Ethernet over multimode fiber

GLOSSARY OF TECHNICAL TERMS

“TDECQ”	Transmitter and Dispersion Eye Closure Quaternary, a standard metric defined by the Institute of Electrical and Electronics Engineers Standard 802.3 to quantify the quality of optical transmitter signals using pulse amplitude modulation 4-level modulation. A lower TDECQ value indicates better signal integrity and lower transmission penalty
“VCSEL”	Vertical-Cavity Surface-Emitting Laser, a type of semiconductor laser that emits light vertically from its surface; commonly used in optical communication modules due to its low cost and high efficiency
“VR4”	Very-short-reach 4-lane, an optical interface standard using four parallel multimode fiber lanes, each typically transmitting 100 Gbps, to deliver 400 Gbps total bandwidth over short distances within data centers

FORWARD-LOOKING STATEMENTS

This prospectus contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, beliefs, expectations, intentions or predictions for the future. These forward-looking statements are contained principally in “Summary,” “Risk Factors,” “Industry Overview,” “Business,” “Financial Information” and “Future Plans and Use of Proceeds.” Forward-looking statements typically can be identified by the use of words such as “aim,” “anticipate,” “aspire,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goals,” “intend,” “may,” “objective,” “ought to,” “outlook,” “plan,” “potential,” “project,” “schedules,” “seek,” “should,” “target,” “vision,” “will,” “would” and other similar terms. Forward-looking statements reflect the current views of our Directors with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including those listed in “Risk Factors,” which are beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our future business development, financial condition and results of operations;
- our ability to develop and manage our operations and business;
- our ability to control costs and expenses;
- our capital expenditure plan;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, suppliers and other partners to conduct our business;
- our planned use of proceeds;
- future developments, trends and competitive landscape in the industries and markets in which we operate or plan to operate;
- relevant government policies and regulations relating to our industry; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates. Should one or more of these risks or uncertainties, among others, materialize, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Accordingly, you should not place undue reliance on any forward-looking statements.

FORWARD-LOOKING STATEMENTS

Any forward-looking statement speaks only as of the date on which such statement is made. Except as required by applicable laws, rules and regulations, including the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of the Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

RISK FACTORS

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Any fluctuation in the growth of the end markets that adopt our products could adversely affect our business, financial condition and results of operations.

Our products are widely used in various end markets. The demand for our products is largely driven by the demand and growth of the end markets that adopt our products. Our financial performance for a particular period may fluctuate depending on the timing, size and mix of orders from our customers, which can be exacerbated during periods when the global macroenvironment is challenging and inconsistent. Any slowdown in the growth of these end markets could materially and adversely affect the adoption of our products.

The market growth and downstream demand for our customers’ products, which drive demand for our products, are subject to various factors beyond our control. Any delay or slowdown in technological advancements, disruptions in supply chains or changes in regulatory policies may hinder the growth of downstream sectors. In addition, we cannot assure you that technological innovation will result in increased customer demand or broader adoption of our products as anticipated. Any delay in technological advancements or failure of emerging technologies to drive expected downstream market growth could materially and adversely affect our business, financial condition and results of operations. Any decline in demand in end markets, or any stagnation in the growth of our downstream sectors could materially and adversely affect our business, financial condition and results of operations.

We face significant competition in the industry in which we operate. If we are unable to compete effectively, our results of operations and financial condition could be materially and adversely affected.

We operate in a highly competitive industry and our outlook relies on the market position based on our ability to compete effectively with competitors in the market place. We expect to face greater competition as we continue to expand globally. Certain markets in which we operate are relatively concentrated, with a limited number of leading market participants holding significant market shares and maintaining strong market positions. See “Industry Overview — Competitive Landscape of AI Optical Transceiver Market” for further details.

Competition in this market may intensify as our competitors that possess longer operational histories and more substantial financial, technical, sales, marketing, and other resources may enhance their offerings to increase the market share. We may also face competition from emerging companies entering our existing or new markets. Furthermore, our market position could also be compromised due to aggressive pricing or product strategies pursued by our competitors, unanticipated manufacturing difficulties, our failure to price our products competitively, our failure to produce at a competitive cost or unexpected emerging technologies and products.

RISK FACTORS

Furthermore, the average selling prices of our optical transceivers across different transmission speeds may decline as technologies mature, industry capacity expands and market competition intensifies. See “Business — Our Products” for further details. There can be no assurance that cost reductions, operational efficiencies, product upgrades, increased sales volume or other measures will fully offset the impact of such price declines. If we are unable to effectively respond to such pricing trends, our revenue, profitability and results of operations may be materially and adversely affected.

Moreover, the market demand for some of our products is often cyclical and characterized by constant and rapid technological changes, price erosion, evolving industry standards and wide fluctuations in product supply and demand. Our products may face downturns that are often connected with, or in anticipation of, the maturation of product life cycles.

If we are unable to continuously optimize our product portfolio to adapt to developments in technologies and customer preferences and achieve market acceptance in a timely and cost-effective manner, our prospects and results of operations could be materially and adversely affected.

The industry in which we operate is subject to constant and rapid changes and upgrades in technologies, frequent new product introductions and evolving industry standards and technological requirements. In order to maintain our profitability, we must continue to optimize our product portfolio and introduce new and competitive products in a timely manner and be among the first to the market.

Industry standards and technical requirements in our markets are evolving and may change significantly over time. Our customers also may change their technical requirements as they introduce new or upgraded products and solutions. If our products are not in adherence to prevailing industry standards and technical requirements for a significant period of time, the demand for our products may be adversely affected, our revenue may decline and we may incur significant expenses to redesign our products to meet the relevant standards, which could adversely affect our business, results of operations and prospects.

In addition, new technologies may be introduced. Our technologies could become obsolete sooner than we expect because of faster than anticipated, or unexpected, changes in one or more of the industry standards and technological requirements, or emerging breakthroughs in products or technologies in our industry. We may also be unable to develop or acquire new or enhanced technologies that satisfy customer requirements and achieve market acceptance in a timely manner or at all. If we fail to adapt successfully to technological changes or fail to obtain access to important new technologies, we may be unable to retain customers or attract new customers. Any decrease in demand for our products, due to the emergence of competing technologies, changes in customer preferences and requirements or otherwise, could adversely affect our business, results of operations and prospects.

Our future success also depends on the optimization of our product portfolio and expansion of customer base, and our success relies heavily on our ability to continue to develop and provide our customers with new and better-performing products and improvements of existing products.

Any failure or delay by us in doing so could adversely affect our business, results of operations and prospects.

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Our success depends to a great extent on our R&D capabilities. Any failure to advance our technologies, enhance our R&D capabilities, or achieve our anticipated R&D milestones could hurt our competitiveness and profitability.

Our R&D capabilities and facilities are critical to our success. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. In 2023, 2024 and 2025, our R&D expenses amounted to RMB42.3 million, RMB63.8 million and RMB104.3 million, respectively, representing approximately 24.1%, 7.4% and 8.5% of our total revenue for the same periods, respectively. We may continue investing significant resources in R&D in order to offer products with desirable performance and pricing and remain competitive in the rapidly evolving industry. See “Business — Research and Development.”

However, R&D activities are inherently complex and uncertain, generally lasting for a long time and requiring substantial R&D expenses. Our investments in R&D activities cannot guarantee market acceptance and revenue generation, and we may not be able to recover expenses incurred. There can be no assurance that we will be able to develop and introduce new and enhanced products in a timely or efficient manner or that we will continue to achieve technological breakthroughs and commercialize such breakthroughs. Failure to predict customers’ changing needs and evolving technological trends or to timely develop new technologies could materially delay our development of new and enhanced products, which could result in product obsolescence, decreased revenue, and/or a loss of market share to competitors. Our investments in R&D activities may not generate sufficient revenue to offset liabilities assumed and expenses associated with these investments.

Any product defects or quality instability may adversely affect our business and reputation.

Our manufacturing processes are required to meet certain quality standards, and we are subject to various laws and regulations in the jurisdictions where our products are sold. To comply with these laws and regulations, we have implemented and maintained a stringent quality control system and perform various inspections throughout our R&D and manufacturing processes. See “Business — Quality Control — Product Quality and Safety.” However, we cannot guarantee that our quality control system will remain effective and compliant with relevant standards. Any significant failure or deterioration of our quality control system could seriously damage our product quality, negatively impact our reputation, and lead to reduced orders or loss of customers, thereby harming our business, financial condition, and results of operations. We also cannot assure you that all products produced by us are free of any defects. Quality defects may fail to be detected or remediated as a result of a number of factors, many of which are outside of our control.

In addition, due to the inherent characteristics of products in our industry, certain product defects may not become detectable or apparent until after a prolonged period of use, despite having passed initial quality inspections. Such latent or long-term reliability issues may require us to take responsibility for repairs, replacements or even recalls years after delivery, which could increase our operational and financial burdens.

Any failure to detect quality defects in our products or to prevent such defective products from being delivered to our customers, even due to factors beyond our control, could result in product recalls or withdrawals, license revocation or regulatory fines, product liabilities or other problems that could seriously harm our reputation and business. Product liability claims, even unsuccessful, would likely be time-consuming and costly to defend, which could divert significant resources and management attention, and thus materially and adversely affect our revenue and profitability.

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Our JDM model currently generates relatively lower gross profit margins, and continued pricing pressure under such model may adversely affect our profitability.

Revenue generated under our JDM model accounted for 24.4%, 56.8% and 45.3% of our total revenue in 2023, 2024 and 2025, respectively. In 2025, the gross profit margin of our JDM business was 3.1%, as compared to 48.7% under our ODM model and 11.1% under our private label model, primarily because we mainly served large-scale domestic downstream customers under the JDM model, which generally involved lower pricing.

As we continue to expand our JDM business, we may face pricing pressure from existing and potential customers, particularly large customers with significant procurement scale and bargaining power. Competitive market conditions and customer pricing expectations may also limit our ability to increase prices or maintain existing margin levels. While we seek to improve the profitability of our JDM business through overseas expansion, product upgrades, operational efficiency improvements and other measures, there can be no assurance that such measures will be successful or sufficient to offset pricing pressure. If our JDM model continues to generate relatively low gross profit margins or if pricing pressure intensifies, our overall gross profit margin, profitability and results of operations may be materially and adversely affected.

We are exposed to regulatory, operational and other risks associated with our global operations.

We expect to further increase our international presence and increase our overseas sales, which may subject us to many risks, including (i) challenges in providing products, services and support, and in managing overseas sales activities effectively; (ii) fluctuations in revenue and profit margins from period to period in the future due to changing market conditions, intense competition, differentiated product and service offerings, downward pressure on our selling price and any other inherent risks associated with our international business operations; (iii) challenges in understanding local customer behavior and industry practices and commercializing our products in new markets where we have limited experience with the local market dynamics and no existing or developed sales and marketing infrastructure; (iv) difficulties in dealing with regulatory regimes, regulatory bodies and government policies with which we may be unfamiliar, in order to obtain and maintain permits, licenses and approvals necessary to market and sell products in or to various jurisdictions; (v) compliance with multiple and potentially conflicting laws and regulations governing various aspects of our operations, including competition, pricing, transportation, logistics, tariffs, data privacy, trade protection, national security and other activities important to our business; (vi) potentially reduced protection for our intellectual property rights and potential breach of third-party intellectual rights; (vii) availability, reliability and security of international payment systems and logistics infrastructure; (viii) differences in accounting treatment in different countries and jurisdictions, potential adverse tax implications and foreign exchange losses; (ix) inability to effectively enforce contractual or legal rights; (x) political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism; and (xi) changes in laws, regulations and policies as well as political, economic and market instability or civil unrest in the relevant countries and jurisdictions.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in international markets will be impaired, or our international business may not be able to achieve or sustain profitability, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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Our revenue from overseas markets decreased during the Track Record Period.

During the Track Record Period, our revenue from overseas markets decreased from RMB238.3 million in 2024 to RMB121.8 million in 2025, primarily due to changes in customer demand and project cycles in certain overseas markets, including the decline in revenue from Malaysia in 2025 following the substantial completion of key customer projects in 2024.

Our revenue from the U.S. also temporarily declined in 2025 as we reallocated production capacity from lower-speed products historically supplied to the U.S. market toward higher-speed products, while certain U.S. customers were still undergoing verification and qualification processes for such advanced products.

If overseas customer demand declines, project cycles change, or we fail to complete customer verification and expand sales of higher-speed products in overseas markets as expected, our overseas revenue may remain low or decline further, which could materially and adversely affect our business, results of operations and growth prospects.

We derive a substantial portion of our revenue from our five largest customers. Any failure to acquire new customers or retain existing customers could adversely affect our business, financial condition and results of operations.

We have invested in business development and marketing efforts to acquire and retain customers. There is no guarantee that these efforts will always be effective and render positive results as we have anticipated.

A majority of our revenue is derived from a limited number of customers. In 2023 and 2024 and 2025, our sales to our five largest customers accounted for 95.8%, 70.3% and 78.7% of our total revenue, respectively. In the same periods, our sales to our single largest customer accounted for 48.3%, 25.2% and 21.0% of our total revenue, respectively. See “Business — Our Customers.” As such, we may be affected by risks arising from customer concentration. There can be no assurance that we will be able to maintain our relationships with our major customers in the future. In the event that the existing major customers reduce or cease to purchase our products and we are unable to find new customers with similar levels of demand at comparable terms within a reasonable period of time or at all, our business and profitability may be materially and adversely affected.

An increase in prices of raw materials or any shortage in supply may disrupt our supply chain, increase our production costs and delay deliveries of our products to customers.

We depend on third-party suppliers to provide a variety of raw materials necessary for the manufacturing of our products. However, the raw materials we use are subject to price volatility caused by external factors. We cannot assure you that we are able to fully compensate for the losses from unexpected and significant increases in the price of one or more raw materials.

Any shortages or delay in the supply of our key raw materials could result in occasional price adjustments or cause delays in our production and delivery to customers. If we are unable to keep up with demand for our products because of failing to obtain the materials needed to successfully manufacture and deliver our products in a timely manner, our business and results of operations could be materially impaired, and market acceptance for our products could be adversely affected. Moreover, we may be faced with challenges to identify and retain new suppliers, which could have a material adverse effect on our ability to meet customer demand in a timely and effective manner.

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We rely on a number of major suppliers, and any disruption in supply or deterioration in supplier relationships could adversely affect our business and results of operations.

In 2023 and 2024 and 2025, purchases from our five largest suppliers accounted for 62.6%, 72.5% and 56.6% of our total purchase amount for these respective periods. In these same respective periods, purchases from our single largest supplier accounted for 24.9%, 29.8% and 28.4% of our total purchase amount. We cannot assure you that there will not be any dispute between our major suppliers and us, or that we will be able to maintain stable business relationships with our existing suppliers.

If all or a significant number of our suppliers for any particular raw materials are unable or unwilling to meet our requirements for quantity, quality or delivery schedules, we could suffer supply shortages or procurement cost increases. Changing suppliers may require a long lead time. Continued supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our customers in a timely manner or at all, which could negatively affect our business, overall profitability and growth prospects.

If we lose the service of any key management members or other qualified and experienced personnel, our ability to effectively manage and execute our operations and meet our strategic objectives could be harmed.

Our business depends on the continuing efforts of our management team to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of service of our key management members can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results.

Additionally, our future success also depends on our ability to attract, recruit and train qualified employees and retain existing key personnel. In particular, we rely on our in-house R&D team to develop our core technologies and products, and our experienced sales and marketing personnel to maintain relationships with our customers. Competition for personnel in our industry is intense, and the availability of suitable and qualified candidates is limited. In order to compete for talents, we may need to offer higher compensation, better trainings and more attractive career opportunities, employees share incentives schemes and other benefits to our employees, which may be costly and time-consuming.

We incurred net loss during the Track Record Period. An inability to manage our growth effectively may have an adverse impact on our business, future prospects, and financial condition.

In 2023, 2024 and 2025, we recorded net loss of RMB108.6 million, RMB17.9 million and RMB100.1 million, respectively, primarily because we were in the course of a strategic transition from lower-speed products to higher-speed products during the Track Record Period. We had historically demonstrated profitability in 2020 and 2021 when our business was primarily focused on more mature 100G-and-below products, which experienced strong market demand at the time, according to our management account. However, since 2022, as we identified the growing opportunities arising from AI data centers and SiPh technology, we have transited to establish a product portfolio centered on high-speed optoelectronic interconnection technologies. Such transition has temporarily affected our profitability during the Track Record Period, which was generally consistent with the industry trend, as confirmed by Frost & Sullivan.

Our growth will depend on our ability to continue to implement and improve on our operational, financial, and management know-how, and adapt to changes in market conditions. If we are unable to do so, we may fail to execute our business strategy to achieve further growth, and as a consequence, our business success, financial condition and future prospects may be materially and adversely affected.

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Any failure to successfully execute our capacity expansion plans and our equipment upgrades may have a material adverse effect on our business, financial condition and results of operations.

Our growth prospects and future financial performance will be affected by our ability to expand and upgrade our production facilities, to achieve a desired level of economies of scale and to deliver high quality products at competitive costs.

We cannot guarantee that our expansion plan will be operationally or financially successful and substantiated by sufficient market demand for or profit margin of our products. If we are unable to implement the upgrade or expansion plan cost-effectively and efficiently, our business and profitability may be adversely affected. In particular, the implementation of our expansion plans may incur significant staff costs, depreciation and amortization charges and other expenses, which may adversely affect our financial condition.

In addition, if we do not receive sufficient orders from our customers to effectively utilize our production facilities, we may be subject to low utilization rates of production capacity, over-capacity or high depreciation charges for our production bases.

We may not be successful in executing our business plans and strategies effectively or at all, and our business, financial condition, results of operations and growth prospects may be materially and adversely affected.

Our business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, manage our growth, take advantage of market opportunities as expected or remain competitive in the industry.

If we fail to manage our inventories effectively, our results of operations and liquidity may be materially and adversely affected.

Our inventories include raw materials, work in progress, and finished goods. Our inventory turnover days in 2023, 2024 and 2025 were 255.8 days, 141.3 days and 180.8 days, respectively. Our business model requires us to manage our inventories efficiently.

If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and significant provision of the inventories. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in diminished customer base and loss of revenue, any of which could harm our business, financial condition and results of operations.

Any disruption to our production facilities could adversely affect our business and results of operations.

The operation of our production facilities may be disrupted by physical damage from fires, floods, earthquakes, typhoons, power outages, permits, changes in governmental planning for the underlying land, and the regulatory development, many of which are beyond our control. As our production process requires substantial amounts of electricity, any power outage, disruption or shortage in power supply could therefore have a material adverse impact on our production and employee safety. In addition, we are subject to risks associated with these activities, including gas leakages, equipment failures, industrial accidents, fires and explosions. These risks can result in personal injuries and fatalities, damage to or destruction of properties or production facilities, and pollution and other environmental

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damages. Any of these consequences, if significant, could disrupt the operation of our production facilities and result in business interruption and legal liability, and materially and adversely affect our financial condition and results of operations.

We may be subject to additional contributions of social insurance and housing provident funds and late payments and fines imposed by relevant governmental authorities.

As required by the PRC laws, a company that enters into an employment contract with an employee shall be the one to make the social insurance and housing provident fund contribution in full for the employee. During the Track Record Period, we engaged third-party human resource agencies to pay social insurance primarily because some of our employees working in different cities across the nation prefer their social insurance and housing provident funds to be paid at their respective resident places for convenience of utilizing such benefits locally. Such arrangement, although not uncommon in China, is not in strict compliance with relevant PRC laws and regulations. See “Business — Employees — Social Insurance and Housing Provident Funds.” As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, we may be ordered to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts. If the third-party human resources agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required under applicable PRC laws and regulations, we may be ordered to rectify such failure by paying full contributions to social insurance and housing provident funds for our employees. Any such event would materially and adversely affect our business, financial condition and results of operations.

In addition, during the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain employees in accordance with the relevant PRC laws and regulations. For amount of the relevant shortfall and the potential maximum penalty arising from such shortfall, see “Business — Employees — Social Insurance and Housing Provident Funds.” The limited exceptions involve a small number of individuals, primarily foreign employees who are not covered, or newly hired employees who could not be timely enrolled within the month of their onboarding. Both the number and proportion of such cases are minimal. Our PRC Legal Advisor has advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount social insurance as required, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. Our PRC Legal Advisor has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

According to the relevant provisions of the Interpretation of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II) (implemented in September 2025), any agreement between an employer and an employee or any commitment made by an employee to the employer that social insurance contributions are not required shall be deemed invalid by the people’s court. Where an employer fails to pay social insurance contributions in accordance with the law and the employee requests to terminate the labor contract pursuant to Article 38, Paragraph 1, Item 3 of the Labor Contract Law and demands that the employer pay economic compensation, the people’s court shall support such request in accordance with the law. In addition, the Labor Contract Law of the People’s Republic of China and other labor laws and regulations remain in effect. This Interpretation does not modify the substance of such laws and regulations, nor will it result in any expansion or increase in the labor-related legal liabilities that we and our domestic subsidiaries may bear in the future.

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See “Business — Employees — Social Insurance and Housing Provident Funds.”

If we upgrade our manufacturing equipment more quickly than expected, we may have to shorten the useful lives of any equipment to be retired as a result of any such update, and the resulting accelerated depreciation could negatively affect our financial results.

We have invested, and expect to continue to invest, significantly in manufacturing equipment, and we depreciate the cost of such equipment over their expected useful lives. Residual values, useful lives and the depreciation method for our manufacturing equipment are reviewed regularly. However, manufacturing technology may evolve rapidly, and we may decide to upgrade our manufacturing process with advanced equipment more quickly than expected. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and to the extent we own such equipment, our results of operations could be materially and adversely impacted.

Our operating cash flows may deteriorate due to the mismatch in time between receipt of payments from our customers and payments to our suppliers.

Our financial stability is closely tied to the creditworthiness of our customers, and our liquidity hinges on their timely remittance. During the production and delivery process, our customers typically make payments to us in instalments. And the interval between the receipt of customer payments and the settlement of supplier invoices can lead to potential cash flow discrepancies. We cannot guarantee the complete avoidance of significant cash flow imbalances in the future. Additionally, our operations are vulnerable to the risk of delayed or unfulfilled contractual commitments by our customers. Despite rigorous monitoring of overdue receivables by our finance team, the collection of such payments is not guaranteed. Should we encounter substantial difficulties in debt recovery or defaults by our clients, it could have a material adverse effect on our financial condition, results of operations, and cash flow sustainability.

We are exposed to credit risks related to our trade and bills receivables.

We are subject to the credit risks attributable to our trade and bills receivables due from our customers, and our profitability and cash flow are dependent on our receipt of timely payments from our customers. During the Track Record Period, we generally granted to our customers a credit term between 30 days to 60 days. However, there can be no assurance that the collection of amounts due from our customers will be timely. This might result in slow turnover of our trade and bills receivables and restrict our working capital resources. As of December 31, 2023, 2024 and 2025, we recorded trade and bills receivables of RMB63.8 million, RMB275.0 million, and RMB438.7 million, respectively. In 2023, 2024 and 2025, our trade receivables turnover days were 117.3 days, 51.0 days and 82.6 days, respectively. If any of our customers faces unexpected situations, such as financial difficulties or deterioration in credit worthiness, there may be challenges in collecting full or partial payments from them and enforcing judgment debts against them could be difficult. These unforeseen circumstances may also render our judgments or estimations on expected credit loss allowance on trade and bills receivables inaccurate, potentially resulting in higher losses than currently estimated. If we fail to receive payments from our customers on a timely basis, our cash flows and financial condition could be materially and adversely affected.

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We may need additional capital but may not be able to obtain it in a timely manner and on favorable terms or at all, and any debt financing we obtain may have conditions and restrictive covenants that restrict our business operations.

We may need additional capital in the future to fund our continued operations, and we may be unable to raise adequate funds, whether through equity or debt financing, when needed on favorable terms or at all. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies. For example, as of December 31, 2023, 2024 and 2025, our capital commitments amounted to RMB204.8 million, RMB192.6 million and RMB493.4 million. If we fail to fulfill such commitments, we may face penalties or other actions against us. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing Shareholders, including investors in this offering, will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our Shareholders' rights.

In addition, our bank loan agreements may include various conditions and covenants that require us to obtain the lending bank's prior consent for certain transactions. For example, historically, certain of our borrowings from commercial banks had financial covenants including maintaining a specified asset-liability ratio and covenants relating to shareholding structures of the borrower. See Note 25 to the Accountants' Report in Appendix I to this prospectus. Such covenants may be imposed on us under any of our new borrowings or other financing arrangements.

Any reduction or discontinuation of preferential tax treatments or government subsidies could adversely affect our results of operations and financial condition.

We benefited from preferential tax treatment and government grants during the Track Record Period. The PRC EIT Law and its implementation rules have adopted a statutory enterprise income tax rate of 25%. However, the income tax of an enterprise that has been determined to be a High and New Technology Enterprise can be reduced to a preferential rate of 15%. We were qualified as a High and New Technology Enterprise and was entitled to a preferential tax rate of 15% during the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC every three years. In addition, we also enjoyed additional deductible allowance for our R&D expenses. Preferential tax treatments and other incentives granted to us by PRC governmental authorities are subject to review and renewal and may be adjusted or revoked in the future. If we cease to be entitled to preferential tax treatment or if the relevant PRC laws and regulations change, our income tax expenses may increase, which would adversely affect our financial condition and results of operations.

In addition, we recorded government subsidies, as a component of our other income and gains, of RMB5.0 million, RMB2.7 million and RMB10.7 million in 2023, 2024 and 2025, respectively. As the determination and granting of such subsidies are subject to the discretion of the government under the law and these subsidies are non-recurring in nature, the receipt of these subsidies is varied from period to period. We cannot assure you that we will continue to receive and benefit from government subsidies in the future.

There is no assurance that our intra-group transactions will not be subject to tax adjustments by competent authorities.

During the Track Record Period, we engaged in intra-group transactions with our subsidiary in Singapore, Singapore Crealights. These transactions primarily involved the sale of optical transceivers to Singapore Crealights, which then resold the products to overseas customers. The intra-group transactions were primarily conducted to facilitate overseas customer payments and optimize our international distribution process to global customers. We have in place agreements between our relevant onshore companies on the one hand and our relevant offshore company on the other hand to

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regulate the intra-group transactions. After consultation with our tax advisor, our Directors are of the view that these intra-group transactions were conducted on an arm's length basis and in compliance with the applicable transfer pricing laws and regulations. As of the Latest Practicable Date, our Directors were not aware of any outstanding enquiry, audit, investigation, or demand or challenge for additional tax payment from any tax authorities in connection with such intra-group transactions that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

There is no assurance that the relevant tax authorities would not subsequently challenge the appropriateness of our intra-group transactions arrangement or that the relevant regulations or standards governing such arrangement will not be subject to future changes. If the relevant tax authorities later find that the pricing policy and the terms that we applied are not appropriate, such authorities may require us to re-assess our pricing policy and re-allocate the income or adjust the taxable income. Any such reallocation or adjustment could result in a higher tax liability for us and may adversely affect our business, financial condition and results of operations.

We, our Directors and our management may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.

In the course of our operations, we may from time to time face legal and administrative proceedings, both inside and outside China, including disputes involving intellectual property, product liability, contracts, employment matters, properties, regulatory compliance and other commercial issues. These proceedings could involve substantial costs, including those associated with investigation, litigation, settlement, judgments, penalties or fines. Such proceedings may also be time-consuming and require the diversion of management and personnel resources from our core business operations, potentially disrupting our day-to-day activities. Additionally, lawsuits and administrative proceedings can generate negative publicity, regardless of the validity of the allegations or the ultimate outcome. Such publicity could harm our reputation and diminish customer trust in our products, adversely impacting our business relationships and market position.

Further, our Directors, management, Shareholders, employees or their affiliates may also become subject to litigation, regulatory investigations, proceedings or negative publicity in relation to commercial, labor, employment, securities or other matters. Any such proceedings could result in potential liability, additional expenses or reputational harm, further affecting our business and operations. If we are unable to effectively manage or resolve such disputes or proceedings, our business, financial condition, results of operations and liquidity could be materially and adversely affected.

Failure to protect our intellectual property or our proprietary technology and know-how could substantially harm our business and competitive position.

Our trade secrets, trademarks, patents, software copyrights, know-how, and other intellectual property rights are essential to our success. Unauthorized use by third parties may materially and adversely impact our revenues and reputation. To safeguard our intellectual property, we rely on trademark and patent law, unfair competition laws, and contractual rights, including confidentiality agreements with employees and third parties. However, these measures may be insufficient or breached, leading to unauthorized disclosure of our trade secrets and proprietary information. Additionally, there is no guarantee that our applications for trademarks, patents, and other intellectual property will be approved, or that our rights will not be challenged or deemed invalid. The intellectual property granted to us in certain jurisdictions would not guarantee us the similar rights in other jurisdictions due to the complexity of the regulation and process. Failure to register these properties could prevent us from stopping others from using them, significantly affecting our business, financial condition, and operational results. Policing unauthorized use of proprietary technology is challenging and expensive.

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Despite our efforts, third parties may attempt to copy or misuse our intellectual property or seek court declarations of non-infringement. Monitoring unauthorized use is difficult and costly, and we cannot ensure our measures will prevent misappropriation. We may need to resort to litigation to enforce our rights, incurring substantial costs and resource diversion.

Consequently, we might lose competitive advantages derived from our intellectual property. Impairments to our intellectual property rights could have an adverse effect on our business. Events beyond our control may also threaten our intellectual property rights and brand. Effective protection of our trademarks, patents, software copyrights, domain names, know-how and other intellectual property rights is costly and complex.

We may need to defend ourselves against claims for intellectual property infringement, which may be time-consuming and would cause us to incur substantial costs.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties, or that our actions, unintended or not, may breach the licensing agreements that we had entered in relation to certain intellectual property rights. We may from time to time be subject to legal proceedings and claims in various jurisdictions where we operate and where our products are sold relating to the intellectual property rights of others. There could also be existing patents of which we are not aware that other aspects of our business may inadvertently infringe. We cannot assure you that holders of patents purportedly relating to some aspects of our technology or business, if any such holders exist, would not seek to enforce such patents against us. Further, the application and interpretation of patent laws and the procedures and standards for granting patents in the countries and regions where we operate may keep evolving, and we cannot assure you that relevant courts or regulatory authorities would agree with our analysis.

If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses and may be forced to divert management's time and other resources from our business and operations to defend against these third-party infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question. Any intellectual property-related dispute or litigation, regardless of its outcome or merit, could result in substantial costs and expenses, adverse publicity or diversion of management resources, any of which could adversely affect our business, financial condition and results of operations.

Any loss of, or failure to obtain, maintain or renew, requisite approvals, licenses, permits and certifications could materially and adversely affect our business, results of operations and financial condition.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. See "Business — Licenses, Approvals and Permits." Complying with such laws and regulations may require substantial expense and may impose a significant burden, while any noncompliance may expose us to liability. There can be no assurance that we will be able to obtain or maintain all requisite approvals, licenses, permits and certifications in a timely manner, or at all, or that we will be able to comply with all conditions imposed thereunder. Furthermore, with the introduction and enactment of new laws and regulations, as well as the refinement of interpretations and applications of existing ones, we may be required to obtain approvals, licenses, permits and certifications that we are not currently required to have for our existing businesses or for new businesses that we may expand

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into in the future. If we fail to obtain or maintain, or if we are deemed to have conducted business without, any of the approvals, licenses, permits and certifications required by relevant laws and regulations, we may be subject to fines, suspension or revocation of our existing licenses, or restrictions or discontinuation of operations of the relevant businesses or facilities, which could materially and adversely affect our business, results of operations and financial condition.

In addition, in the event that we are required to renew our existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, we cannot assure you that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses, permits and certifications in a timely manner. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

The interpretation, implementation, and enforcement of these laws and regulations by the relevant governmental authorities are subject to change and may evolve over time. There can be no assurance that the current regulatory environment will not change or that new laws or regulations will not be enacted, or that the interpretation or enforcement of existing laws and regulations will not become more stringent. Any such changes could require us to incur significant compliance costs, modify our operations, or relocate our facilities, and could adversely affect our business, financial condition, and results of operations.

We rely on third-party service providers and business partners to provide products and services to us and our customers, which could expose us to risks related to the performance of their operations.

We work with a broad range of third-party service providers and business partners, including third-party manufacturers and, for a small portion of our business, third-party distributors. These third parties are subject to risks similar to ours relating to business interruption, systems and employee failures, and cybersecurity and data protection, and are also subject to their own legal, regulatory and market risks.

Our third-party service providers and business partners may not fulfill their respective commitments and responsibilities in a timely manner and in accordance with the terms agreed upon or applicable laws. In addition, we do not have control over third-party service providers' business operations or governance and compliance systems, practices and procedures, which may increase our financial, legal, operational and reputational risk. For example, while a substantial majority of our products are manufactured in-house, we have engaged third-party manufacturers for products including both optical transceivers and AOC, and thus are exposed to their quality risks. There can be no assurance that our quality control procedures will be effective in consistently preventing any deviations by the contract manufacturers from our quality standards. The failure of our contract manufacturers to follow our manufacturing schedule, maintain product quality or comply with applicable production standards can affect our ability to fulfill our obligations to customers and expose us to potential liabilities. If we are unable to effectively manage our relationships with third-party service providers and business partners, or for any reason our third-party service providers or business partners fail to satisfactorily fulfill their commitments and responsibilities, our business, results of operations and financial condition could suffer. Upon expiry of existing contracts with third parties, we may not be able to renew such contracts at terms commercially favorable to us, if at all, or find an appropriate substitute in a timely manner, in which case our business may be adversely affected.

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Our employees or other third parties may engage in misconduct or other improper activities, including noncompliance with regulatory requirements, which could cause significant liability for us, harm our reputation or otherwise have a material adverse effect on our business, financial condition and results of operations.

Our employees or other third parties may engage in misconduct, including violations of laws, fraud or other improper activities. Examples could include the failure to comply with our policies and procedures or with regulatory requirements relating to environmental, health or safety matters, bribery of foreign government officials, import-export controls, lobbying or similar activities, hiding unauthorized or unlawful activities, and violations of any other applicable laws or regulations. Although we have implemented policies, procedures and controls to prevent and detect these activities, these precautions may not prevent all misconduct, and there is no assurance that misconduct will not occur in the future. As a result, we could face unknown risks or losses. Any failure by any of our employees or business partners to comply with applicable laws or regulations could damage our reputation and may subject us to fines and penalties, restitution or other damages, or loss of current and future customer contracts, any of which would adversely affect our business, financial condition and results of operations.

Negative publicity and allegations involving us, our affiliates, Directors, officers, employees or business partners may adversely affect our reputation and, as a result, our business, financial condition and results of operations.

Negative publicity and allegations involving us, our affiliates, Directors, officers, employees or business partners, including our customers or suppliers, may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products provided by us. Even negative publicity about other industry players or the industry in which we operate as a whole may have a negative impact on us. Moreover, we could experience decreases in sales volume and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

If we fail to maintain and enhance our brand recognition, our business, results of operations and financial condition could suffer.

We believe that maintaining and enhancing our brand is important to the success of our business. A well-recognized brand is important to enhance our products' attractiveness to our customers. Moreover, since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our brand. The results of such initiatives may not cover the costs of the increased investment. We cannot guarantee that our marketing efforts will be successful, or that they will yield significant benefits that justify the costs. Any such failure may result in declines in our market recognition and position and adversely affect our business, financial condition and results of operations.

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Developments in the labor market, increases in labor costs, or any possible labor unrest may materially and adversely affect our business and results of operations.

We cannot guarantee the absence of labor-related issues such as collective bargaining, workplace relations disputes, strikes, or challenges in attracting and retaining qualified workers. Such issues could result in work stoppages or labor shortages, significantly impacting our ability to meet customer demands and fulfill orders on time. Moreover, resolving labor disputes, hiring temporary workers, or implementing contingency plans to mitigate the effects of labor shortages could incur additional costs. These expenses, along with potential and overall results of operations. Furthermore, our operations depend on a substantial number of employees. Any failure to maintain a stable and dedicated workforce could lead to severe disruptions. To ensure workforce stability, we might need to offer more attractive salary packages to remain competitive and retain our current pool of talent. Labor costs could also rise due to regulatory measures if more countries adopt stringent minimum wage laws. A significant rise in our labor costs as a result of the aforementioned reasons may materially and adversely impact our margins and profitability. Unless we can implement other appropriate means to reduce production costs, our profit margin may decrease, thus materially and adversely affecting our business, financial condition, and results of operations.

We may not have sufficient insurance to cover our business risks.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had obtained and maintained insurance policies that we believe are customary for businesses of our size and type and in line with standard commercial practice in China. We currently do not carry any business interruption or litigation insurance. See “Business — Insurance.” We cannot guarantee that a product liability claim or other litigation will not be brought against us in the future, or that we will be able to purchase product liability insurance or other related insurance on acceptable terms. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure, production facilities or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

Certain of our leased property interests may have defective titles, and some of our leased properties did not complete the government filing and registration.

We lease properties in China for various purposes. As of the Latest Practicable Date, the lease agreement for one of our leased properties in China had not been registered or filed with the relevant land and real estate administration bureaus in the PRC. There is no assurance that the relevant lessor will cooperate with us to complete the registration in a timely manner, or at all. As advised by our PRC Legal Advisor, while the lack of registration will not affect the validity of the lease agreement, we may be ordered by the relevant government authorities to register the relevant lease within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. As of the Latest Practicable Date, we had not been ordered by any PRC government authorities to register the relevant lease. However, if we are fined by relevant government authorities for our failure to complete the lease registration within the time limit, we may be unable to require our lessor to reimburse us and our financial condition and results of operations may be adversely affected.

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We may not be able to renew certain lease agreements on the same terms or at favorable terms, or at all, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

During the Track Record Period, we leased several key properties, including those used as our production facilities, each with a lease term of more than two years. Upon the expiration of these lease agreements, there is no assurance that we will be able to renew such leases on the same terms or the terms that are commercially reasonable, acceptable, or otherwise favorable to us, or that we will be able to renew them at all. In the event that we are unable to renew these leases, we may be required to relocate our operations, which could result in significant disruption to our business and may require us to incur additional costs, including higher rental costs. Any inability to renew leases, or any increase in rental or related expenses, or failure to locate the new location for our operation could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We are subject to environmental, social and governance (“ESG”) related laws and regulations, and changes in relevant compliance requirements could have an adverse impact on our business, operating results and financial condition.

We are subject to a number of environmental, fire control and health and safety laws and regulations, including the treatment and discharge of pollutants into the environment during our business operations. In addition, our production lines can only be put into operation after the relevant administrative authorities in charge of environmental protection, fire control and health and safety have examined and approved the relevant facilities. We may experience several isolated immaterial incidents, and cannot assure you that we will be able to comply with all regulations and obtain all the regulatory approvals required for our production in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals of such facilities may affect our ability to develop, manufacture and commercialize our products in line with our plans. As requirements imposed by such laws and regulations may change and more stringent laws or regulations may be adopted, we may not be able to comply with, or accurately predict any potential substantial cost of complying with, these laws and regulations. If we fail to comply with relevant laws and regulations, we may be subject to rectification orders, substantial fines, potentially significant monetary damages, or production suspensions in our business operations. In addition, we cannot fully eliminate the risk of accidental contamination, biological or chemical hazards or personal injury at our facilities during the process of testing, developing and manufacturing our products. In the event of an accident involving a breach of any of these laws and regulations, we could be held liable for damages and clean-up costs which, to the extent not covered by existing insurance or indemnification, could harm our business. Other adverse effects could result from such liability, including reputational damage.

In addition, with the rising awareness of ESG issues, including with respect to waste disposal, packaging waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensuring our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure our compliance with the ESG-related laws and regulations applicable to us. There can be no assurance that these measures can effectively help us to navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects.

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We are subject to the risks associated with economic sanctions and export controls laws and regulations and international trade policies, and our business, financial condition and results of operations could be adversely affected.

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, or organizations within such countries.

In addition to sanctions measures, the United States has imposed export control measures that directly or indirectly affect China-based technology companies. These types of laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. Likewise, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts. Furthermore, such potential restrictions may materially and adversely affect our and our technology partners' abilities to acquire technologies, systems, devices or components that may be critical to business operations. Any of these developments could affect us, our customers and/or suppliers or economic conditions generally, any of which could adversely affect our business and financial condition.

In recent years, the United States has expanded export controls restrictions on China through the Export Administration Regulations (the "EAR"), administered by the Bureau of Industry and Security of the United States Department of Commerce (the "BIS"). In addition to the restrictions introduced by the BIS rules, BIS maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China and certain of our customers, on the Entity List and other restricted or prohibited parties lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. Given the complexity of these regulations and sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations.

The U.S. market remains a strategic focus for us. See "BUSINESS — Our Sales to the U.S. and Applicable U.S. Laws and Regulations." After consultation with Paul Hastings LLP, our legal advisor as to U.S. sanctions, our Directors are of the view that as of the Latest Practicable Date, (i) the impact of U.S. government sanctions on our business operations was not material because we were not a Sanctioned Target, were not incorporated, located or organized in a Sanctioned Country, and were not a Sanctioned Trader that conducts a material portion (10% or more) of business with Sanctioned Targets or Sanctioned Country entities or persons; and (ii) the impact of recently released U.S. trade policies concerning China, particularly those tariff-related policies, on our business was not material because the reciprocal tariffs and the fentanyl-related tariffs imposed by the United States on imports from China have been terminated, and the newly introduced 10% tariff on imports from China is broadly consistent with prior baseline tariff level, and we generated a majority of revenue from countries and regions outside of the United States during the Track Record Period. In addition, our products fell outside scope of export controls restrictions on China through the EAR as of the Latest Practicable Date.

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As sanctions and export controls laws and regulations continue to expand and evolve, future sanctions and export controls may materially affect some of our significant customers or suppliers, raw materials or key components or technologies necessary for our operations. Changes to export control regulations, including changes to the Entity List and restrictions applicable to doing business with persons on it, could adversely affect our business and our relationship with other customers and suppliers if we fail to promptly secure alternative customers or sources of supply on terms acceptable to us. These export controls could adversely affect us and/or our supply chain, business partners, or relationship with customers and suppliers, and our business, financial condition, and results of operations may be significantly affected by the continued international trade and political tensions.

If new sanctions and export controls measures were to include a complete or more restrictive ban on products sales to certain entities, it could impact not only our ability to continue supplying our products to affected customers, but could also negatively affect our customers' demand for our products, and could lead to changes in supply chains of our products, to the extent they involve the use of items subject to the EAR or other applicable regulations. As our products become more technologically advanced, there is also a greater likelihood of sanctions and export controls regulations restricting our ability to obtain the components or technologies necessary to produce them or otherwise to export or transfer our products. Even if our products are not directly targeted by these types of sanctions and export controls, we may nonetheless face higher costs and expenses in our supply chain due to new sanctions and export controls measures as our customers and business partners may be negatively affected by sanctions and export controls measures directed at China.

Sanctions and export controls laws and regulations are complex and constantly evolving, and new persons and entities are regularly added to the list of "Sanctioned Persons," which refers to persons and identities listed on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions or export controls. These types of regulations are complex, and we expect to need to devote increasing resources to complying with them. Even with our compliance measures, we cannot provide any assurance that our future business will be free of sanctions or export control risks or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the U.K., the UN, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions or export controls they impose or provides a basis for a sanctions or export control designation of us.

We are subject to anti-corruption and anti-bribery laws and regulations, and any noncompliance with such laws and regulations can subject us to administrative, civil and criminal fines and penalties, collateral consequences and legal expenses.

We are subject to anti-corruption and anti-bribery laws and regulations in various countries or jurisdictions in which we conduct business. We have implemented policies and procedures designed to ensure compliance by us and our employees with relevant laws and regulations. However, our policies and procedures may not be sufficient or effective. In addition, any noncompliance with anti-corruption or anti-bribery laws and regulations could subject us to whistleblower complaints.

Consequently, we may be subject to investigations and proceedings by governmental authorities. If any of our employees, agents, representatives, business partners or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to enforcement actions and litigation. Given the uncertainty, complexity and scope of many of these investigations, enforcement actions and litigation, their outcome generally cannot be predicted with a reasonable degree of certainty. Even if we eventually prevail in

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these matters, we could incur significant legal fees or suffer significant reputational harm, which could have a material adverse effect on our prospects and future growth, including our ability to attract new business partners and customers, expand our relationships with governmental regulators and industry groups, and recruit and retain employees.

We may face risks associated with IT system failures, network disruptions, or cybersecurity breaches.

IT systems are critical to our ability to effectively manage our operations. If we do not allocate sufficient resources to build and sustain the proper IT infrastructure, we could be subject to operational disruptions. Moreover, if our data management systems do not effectively collect, store, process and report relevant data for the operation of our business, whether due to equipment malfunction or constraints, software deficiencies, system failures, cybersecurity attack, or human error, our ability to effectively plan, forecast and execute our business plans and comply with applicable laws and regulations will be impaired. Challenges relating to the building of new IT structures can also subject us to certain errors, inefficiencies, disruptions. Our IT systems, and the systems of our third-party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including natural disasters, terrorist attacks, electrical or telecommunications failures, software program errors, computer viruses, cyberattacks or hackers, and other security issues or threats that may pose a risk of financial losses, business interruptions, wrongful use of information, damage to reputation, and lack of proper protection. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. Given the unpredictability of the timing, nature and scope of such disruptions, such measures may not have been effectively implemented or may not be adequate to ensure that our operations are not disrupted and we could potentially be subject to operational interruption, damage to our image and private data exposure. We may also incur significant expenses for implementing additional security measures to protect our IT systems.

Our operations could be subject to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, outbreaks of a widespread health epidemic or pandemic, or other events such as wars, regional conflicts, acts of terrorism, environmental accidents, power outages or communication interruptions. The occurrence of such a disaster or prolonged outbreak of an epidemic or pandemic illness or other adverse public health developments in the PRC or elsewhere could materially disrupt our business and operations. Such events may also significantly affect our industry and may even cause a temporary closure of the facilities we or our business partners use for our operations, which would disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Our operations could be disrupted if any of our employees or employees of our business partners were suspected of having any of the epidemic or pandemic illnesses, since this could require us or them to quarantine some or all of such employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or pandemic or other outbreaks harm the global or PRC economy in general.

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RISKS RELATING TO THE JURISDICTIONS WHERE WE OPERATE

Changes in economic, political or social conditions, as well as government policies and the regulatory environment, could have a material adverse effect on our business and operations.

A substantial portion of our assets and operations are located in the PRC, and we also operate our business in Singapore. As a result, our business, financial condition, results of operations and prospects are substantially affected by local economic, political, social and legal policies. Economic growth in these markets has been uneven, varying both geographically and across different sectors within the economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our exposure to legal and business risks, and may materially and adversely affect our operations and affect our results of operations.

We are subject to the risks associated with geopolitics, including protectionist trade and national security measures, which could adversely affect our business, financial condition and results of operations.

We may be negatively affected by any deterioration in the political and economic relations among countries in which we operate or sell our products, and other geopolitical challenges, including economic conditions and tariffs and other trade restrictions. International trade protection measures are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be heightened by national security or other political concerns that are beyond our control. These issues may adversely affect us and our key suppliers' and customers' ability to sell products or obtain the technologies, systems, devices or components critical to technology infrastructure, product offerings and business operations. If any new tariffs, legislation, or regulations are implemented by the United States or other jurisdictions in the future, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition and results of operations. It may also be difficult or costly to comply with such legislation or regulations, and we could be subject to regulatory investigations, fines, penalties or other actions and reputational harm. Furthermore, heightened trade and political tensions could reduce levels of international trade, investment, technological exchange and other economic activities, which would have a material adverse effect on global economic conditions, the stability of global financial markets and international trade policies. It could also adversely affect the financial and economic conditions in China as well as our potential overseas expansion, our financial condition and results of operations.

On February 1, 2025, the U.S. government announced a 10% tariff on all imports from China (including Hong Kong SAR), citing issues related to fentanyl and other illegal substances, effective February 4, 2025. On March 3, 2025, the U.S. further imposed a 10% tariff on all imports from China (including the Hong Kong SAR), thereby increasing the U.S. tariff rate on all imports from China (including the Hong Kong SAR) to 20%, effective March 4, 2025. In April 2025, the United States announced broad tariffs on imports from all countries, comprising a 10% so-called "baseline" tariff on all countries, varying so-called "reciprocal" tariffs on certain trade partners. As of early April 2025, the U.S. had imposed tariffs of 145% on imports from China, and China responded with tariffs of 125% on most goods from the United States. On May 12, 2025, following bilateral negotiations, China and the United States announced a 90-day suspension for most of these higher tariffs levied on each other's goods, during which the U.S. will continue a 30% tariff on Chinese imports and China will keep a 10% tariff on U.S. goods. This suspension was further extended by the two countries for an additional 90 days until November 10, 2025. Although the two countries' trade negotiations are continuing, there is substantial uncertainty regarding any final tariff rates. Furthermore, the United States has announced that tariffs of 40% will be imposed on goods that the U.S. Customs and Border Protection Agency determines have been transshipped to avoid its "reciprocal" tariffs; it is uncertain how these

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determinations will be made. In addition, we cannot predict how tariff policies in various countries may further evolve or how they may affect our business and results of operations. If additional tariffs are imposed on our products, we may be unable to pass on the increased costs to our customers. As a result, we may have to absorb all or part of the additional tariff expenses and may lose some customers, and our products' price competitiveness and gross margins could be materially and adversely affected, any of which in turn could materially and adversely affect our business, financial condition and results of operations.

Additionally, the U.S. government has issued regulations that restrict U.S. outbound investment in entities associated with China (including Hong Kong and Macau), which could affect our access to capital. In October 2024, the U.S. Department of the Treasury ("**Treasury**") issued regulations pertaining to U.S. investments in certain national security technologies and products in countries of concern (the "**Outbound Investment Rule**"), which became effective on January 2, 2025. The Outbound Investment Rule imposes prohibitions and notification requirements on a wide range of U.S. investments involving persons and entities associated with "countries of concern," currently China (including Hong Kong and Macau), that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, or (iii) artificial intelligence systems. Under the Outbound Investment Rule, entities with meaningful ties with a country of concern that are engaged in certain activities relating to the above three sectors could meet the definition of a "covered foreign person," and with limited exceptions, equity investments by a U.S. person (as defined in the Outbound Investment Rule) in a covered foreign person are subject to prohibition or notification requirements, depending primarily on the nature of technology involved. Therefore, if a company is deemed to be a covered foreign person, its ability to raise capital and the value of its shares could be negatively affected. Subsequent to the implementation of the Outbound Investment Rule, the U.S. government issued (i) a broadly worded "America First Trade Policy" on January 20, 2025, which directs Treasury and several other executive departments and offices to review a range of international trade and investment policies and rules, including potential modifications to the Outbound Investment Rule; and (ii) an "America First Investment Policy" on February 21, 2025, which contemplates changes to U.S. international investment policies and rules, including possible application of the Outbound Investment Rule to a wider range of technologies and a wider range of investments, possibly including publicly traded securities. In December 2025, the U.S. Government issued new guidance regarding the Outbound Investment Rule and clarified exemptions for U.S. persons to invest in publicly traded securities, subject to certain requirements. Any expansion of the restrictions under the Outbound Investment Rule may further increase uncertainties for cross-border collaboration, investment, and funding opportunities for companies with operations in China.

As a result of the Outbound Investment Rule and possible changes to it, our ability to raise capital from U.S. investors could be impaired, potentially harming our business, financial position, and prospects. Under extreme circumstances, the value of our Shares could decline significantly or even become worthless.

You may have difficulties in effecting service of legal processes or enforcing foreign judgments against us, our Directors and our senior management.

We are incorporated under the laws of the PRC as a joint stock limited company, and a substantial portion of our assets are located in the PRC. In addition, most of our Directors and senior management reside in the PRC, and their assets may also be substantially located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon those persons residing in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of certain other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult.

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On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region of the PRC signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”), which entered into force on August 1, 2008. Under the Arrangement, a party with an enforceable final court judgment rendered by any designated People's court of Chinese mainland or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant People's court of Chinese mainland or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a court of Chinese mainland or a Hong Kong court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in Chinese mainland if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for you to effect service of process against us in order to seek recognition and enforcement of foreign judgments in Chinese mainland.

On January 18, 2019, the Supreme People's Court of the PRC and the Government of Hong Kong Special Administrative Region of the PRC entered into an agreement regarding the scope of judgments which may be enforced between Chinese mainland and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”). The New Arrangement broadens the scope of judgments that may be enforced between Chinese mainland and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The New Arrangement became effective on January 29, 2024, both in Chinese mainland and in Hong Kong and replaced the Arrangement. However, the Arrangement remains applicable to a written choice of court agreement within the meaning of the Arrangement that was made before the effective date of the New Arrangement. Under the New Arrangement, any party concerned may apply to the relevant court of Chinese mainland or Hong Kong for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has become effective, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a Chinese mainland court.

We are a Chinese mainland enterprise, and we are subject to Chinese mainland tax on our global income and any gains on the sales of Shares and dividends on the Shares may be subject to Chinese mainland income taxes.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (“**EIT Law**”) and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese mainland and a non-Chinese mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese mainland sources payable to investors that are non-Chinese mainland resident enterprises, which do not have an establishment or place of business in Chinese mainland, or which have an establishment or place of business in Chinese mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese mainland income tax rate if such gains are regarded as income from sources within Chinese mainland unless a treaty or similar arrangement provides otherwise.

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Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”), which was promulgated by the SCNPC on September 10, 1980, and was most recently amended on August 31, 2018, and effective on January 1, 2019, and the Implementation Regulations for the IIT Law (《中華人民共和國個人所得稅法實施條例》), dividends from sources within Chinese mainland paid to foreign individual investors who are not Chinese mainland residents are generally subject to a Chinese mainland withholding tax at a rate of 20% and gains from Chinese mainland sources realized by such investors on the transfer of shares are generally subject to a 20% Chinese mainland income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in Chinese mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-Chinese mainland resident individual holders of H Shares are generally subject to individual income tax of Chinese mainland at the withholding tax rate of 10%, in which the non-Chinese mainland resident individual holder of H Shares resides as well as the tax arrangement between Chinese mainland and Hong Kong. Non-Chinese mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese mainland are subject to a 20% withholding tax on dividends received from us. In addition, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of Chinese mainland and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-Chinese mainland resident individuals on the sale of shares of Chinese mainland resident enterprises listed on overseas stock exchanges.

If Chinese mainland income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-Chinese mainland resident investors, the value of your investment in our Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with Chinese mainland may not qualify for benefits under such tax treaties or arrangements.

Our offshore subsidiary may be treated as a resident enterprise for PRC tax purposes.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of China with “de facto management bodies” located in China may be considered PRC resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (Guo Shui Fa [2009] No. 82) (the “Circular 82”) provides that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within China as major controlling shareholders under the laws of foreign countries (regions), will be classified as resident enterprises if all of the following conditions are met: (i) senior

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management personnel and departments that are responsible for daily production, operation and management are located mainly within China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in China; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within China; and (iv) at least half of the directors with voting rights or senior management reside within China. The SAT has subsequently provided further guidance on the implementation of Circular 82.

As our Company is a PRC enterprise, our offshore subsidiary may be questioned by competent regulatory authorities. If our offshore subsidiary is deemed PRC resident enterprises, competent regulatory authorities may request our offshore subsidiary to pay enterprise income tax at a rate of 25% on their global income. However, dividends that our offshore subsidiary receives from our PRC subsidiaries, if any, may be exempt from the enterprise income tax to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." Nonetheless, it remains subject to future interpretation as to what types of enterprises would be deemed a "PRC resident enterprise" for such purposes. The enterprise income tax on our offshore subsidiary's global income could significantly increase our tax burden and affect our cash flows and profitability.

Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations and affect the value of your Shares.

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, any changes to these foreign exchange policies that prevent us from obtaining sufficient foreign currencies may affect our ability to pay dividends in foreign currencies to our Shareholders.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with the Global Offering, future capital raising activities or business expansion.

On July 6, 2021, the General Office of the State Council together with another authority jointly promulgated the Opinion on Severely Punishing Illegal Activities in Securities Market (《關於依法從嚴打擊證券違法活動的意見》), which calls for the enhanced administration and supervision of overseas-listed PRC-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarifies the responsibilities of competent domestic industry regulators and government authorities.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to offer and list securities overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC, and in the event of subsequent offering and occurrence of certain major events, domestic companies shall also fulfill relevant filing procedures and report information to the CSRC. If a domestic company fails to complete the filing procedure, omits any material fact, falsifies any content or contains any misleading statement in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers,

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the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. See “Regulatory Overview — Other Regulations Relating to Doing Business in China — Regulations on Overseas Listing.”

If it is determined that we are subject to any filing or other authorization or requirements of the CSRC or other PRC governmental authorities for future capital raising activities or other major events, and we fail to complete such filing or meet such requirements in a timely manner, we could be subject to penalties imposed by the CSRC or other PRC regulatory authorities. If we are determined not in compliance with the requirements under the Trial Measures, and thus are unable to complete the filing with the CSRC, we may need to postpone or terminate our future capital raising activities if any. Any changes or negative publicity regarding such filing or other requirements stated above could materially and adversely affect our business, prospects, financial condition, reputation, and offering and listing of the Shares.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government’s policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

The proceeds from the Global Offering will be received in Hong Kong dollars and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. These hedging arrangements may not be effective and entail risks. All of these factors could have a material adverse impact on our business, results of operations and financial condition.

Payment of dividends is subject to laws and regulations in regions where we operate.

Under the PRC laws, dividends may be paid only out of distributable profits. Our distributable profits represent our distributable net profits less appropriations to statutory surplus reserve, general reserve, and discretionary surplus reserve (as approved by our Shareholders’ meeting). Our distributable net profit represents the lowest of (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under IFRS Accounting Standards. As a result, we may not have sufficient distributable profits to make dividend distributions to our Shareholders in the future, including in respect of periods where we register an accounting profit. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

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Any failure to comply with relevant regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the “Notices”), replacing earlier rules promulgated in 2007. Pursuant to the Notices, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees (i) who are PRC citizens or who reside in the PRC for a continuous period of not less than one year, and (ii) who have been or will be granted incentive shares or options, are or will be subject to these regulations. Failure to complete the relevant SAFE registrations under the Notices may subject us and them to fines and legal sanctions, and there may be additional restrictions on their ability to exercise their stock options or remit proceeds gained from the sale of their stock into the PRC.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and the liquidity and market price of our Shares may be volatile.

Prior to the completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after the completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Overall Coordinator, which may not be indicative of the price at which our Shares will be traded following the completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price our Shares may be volatile, which could result in substantial losses to you.

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese mainland that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of Chinese mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment toward Chinese mainland-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the market price and trading volume of our Shares may decline.

The trading market for our Shares will be influenced by the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our Shares or

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publishes inaccurate or unfavorable research about our business, the market price for our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our Shares to decline.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the market price of our Shares and our ability to raise additional capital in the future.

The market price of our Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

There can be no assurance as to whether and when we will declare and distribute any dividends.

There can be no assurance that we will declare and distribute any amount of dividends in the future. We currently do not have a pre-determined dividend payout ratio. The declaration, payment, and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial condition, cash requirements and availability, and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting. We may not have sufficient or any profits to enable us to distribute dividends to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See "Financial Information — Dividends."

Certain statistics contained in this prospectus are derived from publicly available official sources.

This prospectus, particularly the section headed "Industry Overview," contains information and statistics relating to the industry in which we operate in China and globally. Such information and statistics have been derived from various official government and other publications and from a third-party report commissioned by us. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinator, the Sole Global Coordinator, the Sole Bookrunner, the Sole Lead Manager, the Underwriter, any of our or their respective directors, officers or representatives, or any other parties involved in the Global Offering, and no representation is given as to their accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

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You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

There may have been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us, our business, our industry and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. None of us, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinator, the Sole Global Coordinator, the Sole Bookrunner, the Sole Lead Manager, the Underwriter or any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media coverage, or accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication.

Accordingly, prospective investors should not rely on any such information or publication in making their decision whether to purchase in our Shares. Prospective investors are reminded that, in making their investment decisions as to whether to purchase our Shares, they should rely only on the financial, operational, and other information included in this prospectus. By applying to purchase our Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our Company's headquarters, management, business operations and assets are primarily located in the PRC. Our executive Directors are based in the PRC, as our Board believes it would be more effective and efficient for its executive Directors to be based in a location where our Company's significant operations are located. Our executive Directors are not or will not be ordinarily resident in Hong Kong upon the proposed Listing. Our Directors consider that relocation of our executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange has granted our Company, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives (the "**Authorized Representatives**"), namely Mr. Hu Yong and Ms. Chan Lok Tung. The Authorized Representatives are authorized to communicate on our Company's behalf with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. As and when the Stock Exchange wishes to contact our Directors on any matters, each of the Authorized Representatives will have means to contact all of our Directors promptly at all times. Our Company will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) our Company has provided the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the Authorized Representatives and to the Stock Exchange. This will ensure that the Authorized Representatives and the Stock Exchange will have the means to promptly contact any of our Directors as and when required, as well as means to communicate with our Directors when they are travelling;
- (c) our Company confirms and will ensure that all Directors who are not ordinarily resident in Hong Kong possess, or can apply for, valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time when required; and
- (d) our Company has appointed Gram Capital Limited as its Compliance Adviser, pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will have access at all times to the Authorized Representatives, Directors and senior management of our Company, and will act as an additional channel of communication between the Stock Exchange and our Company

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. The Compliance Adviser will maintain constant contact with the Authorized Representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules.

ALLOCATION OF OFFER SHARES TO CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER AS CORNERSTONE INVESTOR

Rule 9.09(b) of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any core connected person of an issuer (except as permitted by Rule 7.11 of the Listing Rules) from 4 clear business date before the expected hearing date until listing is granted.

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a new applicant either in his/her/its own name or through nominees if the following conditions in Rule 10.03 of the Listing Rules are fulfilled:

- (a) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and
- (b) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Paragraph 14 of Chapter 4.15 in the Guide provides guidance as to the conditions subject to which the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in a global offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed (the **"Existing Shareholders Conditions"**).

Paragraph 18 of Chapter 4.15 in the Guide states that the Stock Exchange will grant consent and/or waiver to allow an existing shareholder and/or its close associates and a cornerstone investor to subscribe or purchase further securities in the IPO without fulfilment of the Existing Shareholders Conditions subject to the disclosure of details of the allocation in the listing document and/or the allotment results announcement, and the following size exemption conditions being fulfilled:

- (a) The offer (excluding any over-allocation) has a total value of at least HK\$1 billion;
- (b) Securities allocated to all existing shareholders and their close associates (whether as cornerstone investors and/or as placees) as permitted under this exemption do not exceed 30% of the total number of securities offered; and

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (c) Each director, chief executive, controlling shareholder and, in the case of PRC issuers, supervisor of the applicant must have confirmed that no securities have been allocated to them or their respective close associates under this exemption.

As at the date of this prospectus, each of Beijing InfoDev Fund and Beijing ETDA Upgrade Fund II (together, the “**Existing Shareholders**”) is an existing Shareholder and is a core connected person of the Company. JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP) (“**BJJN Investment Fund**”) intends to participate in the International Offering as a Cornerstone Investor. BJJN Investment Fund is a close associate of the Existing Shareholders and accordingly, BJJN Investment Fund is a core connected person of the Company. For more information of BJJN Investment Fund, see “Cornerstone Investors.”

Our Company has applied to, and the Stock Exchange has granted, a waiver from strict compliance with Rules 9.09(b) of the Listing Rules, and a consent under paragraph 18 of Chapter 4.15 of the Guide, to permit the Company to allocate Offer Shares in the International Offering to BJJN Investment Fund as a cornerstone investor, subject to the following conditions:

- (a) the final offering size of the Global Offering, excluding any over-allocation, will be of a total value of at least HK\$1 billion;
- (b) the Offer Shares allocated to all existing Shareholders and their close associates as permitted under the Size-based Exemption (as defined in the Guide) do not exceed 30% of the total number of the Shares offered under the Global Offering;
- (c) each Director, supervisor and chief executive of the Company confirms that no Offer Shares have been allocated to them or their respective close associates under the Size-based Exemption;
- (d) the allocation to BJJN Investment Fund will not affect the Company’s ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 of the Listing Rules; and
- (e) details of the allocation to BJJN Investment Fund under the Size-based Exemption will be disclosed in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

CSRC FILING

According to the Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. Our Company has submitted a filing to the CSRC for application for the Listing on November 4, 2025. On June 1, 2026, the CSRC has issued a notification on our Company's completion of such filing. No other approvals from the CSRC are required to be obtained for the Listing.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,343,150 Offer Shares and the International Offering of initially 12,088,350 Offer Shares (subject to, in each case, reallocation on the basis as set out in "Structure of the Global Offering" and, in case of the International Offering, any exercise of the Over-allotment Option).

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Overall Coordinator, the Sponsor-Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Capital Market Intermediary, the Underwriter, any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering", and the procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares."

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for the conversion of 76,110,545 Unlisted Shares held by 33 Shareholders into H Shares. Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing. Our Company has filed with the CSRC for the

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

conversion of Unlisted Shares into H Shares on June 1, 2026. See “History, Development and Corporate Structure” and “Share Capital” in this prospectus for details of their interests in our Company and relevant procedures for the conversion of Unlisted Shares into H Shares.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her/its acquisition of the Hong Kong Offer Shares to, confirm that he/she/it is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares outside Hong Kong or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances where such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made, except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC.

UNDERWRITING

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriter pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinator agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriter pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around Thursday, June 25, 2026. For more information on the Underwriter and the Underwriting Agreements, see “Underwriting.”

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

Our Company has applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares to be issued by us pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from the Unlisted Shares.

Dealings in the H Shares on the Stock Exchange are expected to commence on Monday, June 29, 2026. No part of our Shares are listed or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, our H Shares on the Stock Exchange pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS, with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements, as such arrangements may affect their rights and interests.

H SHARE REGISTER AND STAMP DUTY

All H Shares issued pursuant to applications made in the Global Offering and converted from Unlisted Shares will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members will be maintained by us at our head office in the PRC.

Dealings in the H Shares registered in our H Share register will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the Shareholders as recorded on our H Share register of members in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder. Cash dividends to domestic investors of H-share "full circulation" shall be distributed through CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed our H Share Registrar, and it has agreed not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder, unless and until the holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

- agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law and our Articles of Association;
- agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof; and
- authorizes us to enter into a contract on his or her behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates of any of our Directors, Supervisors, existing Shareholders or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, dealing in or the exercise of any rights in relation to the H Shares. None of our Company, the Sole Sponsor, the Overall Coordinator, the Sponsor-Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Capital Market Intermediary, the Underwriter, any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, dealing in, or the exercise of any rights in relation to the H Shares.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English prospectus that are not in the English language and are English translations, the names in their respective original languages shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages.

ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this prospectus may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars at specified rates.

Unless otherwise specified, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this prospectus was made at the following rates:

RMB0.8705 to HK\$1.00

RMB6.8198 to US\$1.00

HK\$7.8345 to US\$1.00

The RMB to HK\$ and US\$ to RMB exchange rates are quoted by the PBOC for foreign exchange transactions prevailing on the Latest Practicable Date. No representation is made that any amounts in RMB or Hong Kong dollars can be or could have been at the relevant dates converted at the above rate or any other rates or at all.

OTHER

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised, and no Shares are issued under the Pre-IPO Share Option Scheme.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Hu Zhaoyang (胡朝陽)	Room 302, Building 6 Meisong Garden Yueliang Bay Suzhou Industrial Park, Suzhou Jiangsu Province, PRC	Chinese
Mr. Hu Yong (胡勇)	Room 1202, Building 9 Yihe Linglong Garden No. 588 Gangtian Road Suzhou Industrial Park, Suzhou Jiangsu Province, PRC	Chinese
Ms. Zhou Hong (周紅)	Room 2506, Building 11 West Dushu Lake Linglong Garden Guoxiang Subdistrict Wuzhong Economic Development Zone Suzhou Jiangsu Province, PRC	Chinese
Dr. Sun Xu (孫旭)	Room 105, Unit 1, Building 65 Weina Sunshine Garden No. 80 Keneng Road, Weiting Town Suzhou Industrial Park, Suzhou Jiangsu Province, PRC	Chinese
Mr. Guo Qingsong (郭青松)	Room 602, Building 14 Huiyingshidai Garden No. 139 Xinjiang Road Suzhou Industrial Park, Suzhou Jiangsu Province, PRC	Chinese
Non-executive Director		
Mr. Ng Ho Nam (吳皓南)	G/F, Mak Yuen 1 Sha Kok Mei Road Sai Kung Kowloon, Hong Kong	Chinese (Hong Kong)
Independent Non-executive Directors		
Dr. Xu Haoping (徐浩萍)	Room 101 No. 338, 3800 Nong, Dianshanhu Avenue Zhujiajiao Town Qingpu District Shanghai, PRC	Chinese
Dr. Wang Fei (王飛)	Room 1201, Building 13 Golf Garden Suzhou Industrial Park District Jiangsu Province, PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Mr. Zhang Wei (張維)	Flat M4, 4/F, Block M Hing Wah Mansion 1 Babington Path Sai Ying Pun Hong Kong	Chinese (Hong Kong)

SUPERVISORS

Name	Address	Nationality
Ms. Zhao Xiuxiu (趙秀秀)	Room 202, Building 21 Future Siji Garden Luzhi Town Wuzhong District, Suzhou Jiangsu Province, PRC	Chinese
Ms. Zhang Xiejuan (張謝娟)	Room 1603, Building 12 Qingcui Jingyuan Garden Chengnan Subdistrict Wuzhong Economic Development Zone Suzhou Jiangsu Province, PRC	Chinese
Ms. Wei Shanlin (魏善林)	Room 701, Building 55 Weina Sunshine Garden Weiting Town Industrial Park District, Suzhou Jiangsu Province, PRC	Chinese

For more information on our Directors and Supervisors, see “Directors, Supervisors and Senior Management.”

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor, Overall Coordinator, Sponsor-Overall Coordinator, and Global Coordinator	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central Hong Kong
Bookrunner	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central Hong Kong
Lead Manager	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central Hong Kong
Capital Market Intermediary	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central Hong Kong

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisors to our Company

As to Hong Kong and United States law:

Paul Hastings (Hong Kong) LLP

22/F, Bank of China Tower

1 Garden Road

Hong Kong

As to PRC law:

Grandall Law Firm (Nanjing)

5/F, 7/F, 8/F, Building B

309 Hanzhongmen Street

Nanjing

PRC

Legal Advisors to the Sole Sponsor and the Underwriter

As to Hong Kong and United States law:

Latham & Watkins LLP

18/F, One Exchange Square

8 Connaught Place

Central

Hong Kong

As to PRC law:

Jingtian & Gongcheng

45/F, K. Wah Centre

1010 Huaihai Road (M)

Xuhui District

Shanghai

PRC

Auditor and Reporting Accountants

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

2504 Wheelock Square

1717 Nanjing West Road

Shanghai

China

Transfer Pricing Consultant

Grant Thornton Singapore Pte Ltd

8 Marina View

#40-04/05 Asia Square Tower 1

Singapore

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Compliance Adviser**Gram Capital Limited**

Room 1209
12/F, Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Central
Hong Kong

Receiving Bank**Bank of China (Hong Kong) Limited**

1 Garden Road
Hong Kong

China CITIC Bank International Limited

80 Floor, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

CORPORATE INFORMATION

Registered Office	Room 101, 1/F, Building 3, Compound No. 10 Liangshuihe 1st Street Beijing Economic-Technological Development Area Beijing, PRC
Headquarters and Principal Place of Business in the PRC	Room 101, 1/F, Building 3, Compound No. 10 Liangshuihe 1st Street Beijing Economic-Technological Development Area Beijing, PRC
Principal Place of Business in Hong Kong	17/F, Leighton Centre 77 Leighton Road Causeway Bay, Hong Kong
Company's Website	<u>www.crealights.com</u> <i>(The information contained on this website does not form part of this prospectus)</i>
Company Secretary	Ms. Chan Lok Tung (陳樂彤) <i>(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute)</i> 17/F, Leighton Centre 77 Leighton Road Causeway Bay, Hong Kong
Authorized Representatives	Mr. Hu Yong (胡勇) Room 101, 1/F, Building 3, Compound No. 10 Liangshuihe 1st Street Beijing Economic-Technological Development Area Beijing, PRC Ms. Chan Lok Tung (陳樂彤) 17/F, Leighton Centre 77 Leighton Road Causeway Bay, Hong Kong
Audit Committee	Dr. Xu Haoping (徐浩萍) (<i>Chairperson</i>) Mr. Zhang Wei (張維) Dr. Wang Fei (王飛)
Nomination Committee	Dr. Wang Fei (王飛) (<i>Chairperson</i>) Dr. Xu Haoping (徐浩萍) Dr. Hu Zhaoyang (胡朝陽)
Remuneration Committee	Mr. Zhang Wei (張維) (<i>Chairperson</i>) Dr. Wang Fei (王飛) Dr. Hu Zhaoyang (胡朝陽)
Strategy Committee	Dr. Hu Zhaoyang (胡朝陽) (<i>Chairperson</i>) Dr. Wang Fei (王飛) Mr. Ng Ho Nam (吳皓南)

CORPORATE INFORMATION

H Share Registrar

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Principal Bank

Agricultural Bank of China Suzhou Qingjianhu Branch

G/F, Jun Di Center
No. 3 Weihua Road
Suzhou Industrial Park, Suzhou
Jiangsu Province, PRC

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our Group's history can be traced back to the establishment of our Company's predecessor, Crealights Technology (Suzhou) Limited Corporation* (蘇州海光芯創光電科技有限公司) (“**Crealights Ltd.**”) in November 2011 under the PRC Company Law. In December 2020, our Company was converted from a limited liability company into a joint stock limited company. Alongside our development, we attracted several Pre-IPO Investors through capital injections or equity transfers. For Details of those investors and investments, see “— Pre-IPO Investments” below. As of the Latest Practicable Date, the registered capital of our Company was RMB76,110,545, divided into 76,110,545 Shares, with a nominal value of RMB1.00 each.

For the details of the biography of our founder, Dr. Hu, see “Directors, Supervisors and Senior Management.”

MILESTONES

The following sets out a summary of our key development milestones:

Year	Milestone(s)
2011	The predecessor of our Company, Crealights Ltd., was established
2012	We successfully developed high-speed 40G series optoelectronic components
2013	We won the first prize of the 1st Jiangsu Technology to Entrepreneurship Competition (首屆江蘇科技創業大賽) We were selected as one of the Top 10 Companies in the 2nd China Innovation and Entrepreneurship Competition (第二屆中國創新創業大賽全國十強)
2014	We established an automated production line for high-speed optoelectronic interconnection products
2015	We were recognized as a “High-tech Enterprise” (高新技術企業)
2016	We established a vertical integrated platform of high-speed optical transceivers
2017	We promoted the 100G series optical transceivers to data centers
2018	We delivered the 100G series optical transceivers to customers in North America and Europe
2019	We delivered the 100G series optical transceivers to major Internet customers in China
2020	The total shipments of 100G series products reaching approximately 1.5 million units for the year We converted into a joint stock company
2021	We established our “Wafer-In, Module-Out” platform, establishing an end-to-end process from wafer to optical transceiver production
2022	We were recognized as a “Specialized, Refined, Differential, and Innovative Small and Medium-sized Enterprise” in Jiangsu Province (江蘇省專精特新中小企業)

* for identification purpose only

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone(s)
2023	We were among the first in China to achieve sustainable mass delivery of 400G QSFP112 optical transceivers
2024	We were among the first in China to achieve mass production and delivery of 800G optical transceivers
2025	We introduced our new series of SiPh and AEC products at the China International Optoelectronic Exposition in Shenzhen

OUR MAJOR SUBSIDIARY

Singapore Crealights is our major subsidiary which made a material contribution to our results of operation and financial position during the Track Record Period. Incorporated in the Singapore on December 19, 2023, Singapore Crealights is a wholly-owned subsidiary of our Company and is primarily engaged in sales of optical transceivers. For details of other subsidiaries, see note 1 of the Accountants' Report set out in Appendix I to this prospectus.

ESTABLISHMENT AND CORPORATE DEVELOPMENT

Early History of our Company

On November 1, 2011, the predecessor of our Company, Crealights Ltd. was established under the PRC Company Law with a registered capital of RMB2,000,000 by Dr. Hu, Mr. Tang Gengxin (唐更新) (an independent third party) and Mr. Wang Feng (王鋒) (an independent third party), holding approximately 57.00%, 21.50% and 21.50% of our Company's then registered capital, respectively. Mr. Tang Gengxin and Mr. Wang Feng exited our Company at later stage in our following Pre-IPO Investments. See “— Equity Transfers after Series Angel Financing” and “— Equity Transfers and Capital Increase after Series A Financing” below in this section for details.

Series Angel Financing

Pursuant to the investment agreement dated May 15, 2012, entered into among our Company, the series angel financing investors of our Company set forth below and our then Shareholders, the following series angel financing investors of our Company set forth below agreed to subscribe the increased registered capital of our Company (“**Series Angel Financing**”):

Subscribers	Registered capital subscribed for (RMB)	Consideration paid for subscription (RMB)
Suzhou Industry Zone Yuandian Venture Capital Co., Ltd. (蘇州工業園區原點創業投資有限公司) (“ Suzhou Yuandian VC ”)	247,826	2,850,000
Suzhou Industrial Park Zone Venture Capital Guidance Fund Management Center (蘇州工業園區創業投資引導基金管理中 心) (“ Suzhou VC Guidance Fund ”)	247,826	2,850,000
Suzhou Yinji Venture Capital Co., Ltd. (蘇州銀基創業投資有限 公司) (“ Suzhou Yinji ”)	200,000	2,300,000
Suzhou Industrial Park Zone Qina Venture Capital Co., Ltd. (蘇 州工業園區啟納創業投資有限公司) (“ Suzhou Qina ”)	173,913	2,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfers after Series Angel Financing

Pursuant to an equity transfer agreement dated May 26, 2012, Mr. Tang Gengxin and Mr. Wang Feng transferred part of their equity interests in our Company, representing our Company's registered capital of RMB143,478 and RMB143,478, respectively, to Mr. Jiang Baiping (蔣柏平) (an independent third party) at nominal value. Such equity interests in our Company were previously held by Mr. Tang Gengxin and Mr. Wang Feng as nominee shareholders for Mr. Jiang Baiping. Mr. Jiang Baiping exited our Company at later stage in our following Pre-IPO Investments, see "— Equity Transfers and Capital Increase after Series A Financing" below in this section for details.

Series A Financing

Pursuant to the investment agreement dated March 6, 2015, entered into among our Company, the series A financing investors of our Company set forth below and our then Shareholders, the following series A financing investors of our Company set forth below agreed to subscribe the increased registered capital of our Company (the "Series A Financing"):

Subscribers	Registered capital subscribed for	Consideration paid for subscription
	(RMB)	(RMB)
Suzhou Ronglian Venture Capital Partnership (L.P.) (蘇州融聯創業投資企業(有限合夥)) ("Suzhou Ronglian VC")	717,391	10,000,000
Suzhou Xieli Venture Capital Co., Ltd. (蘇州協立創業投資有限公司) ("Suzhou Xieli VC")	717,391	10,000,000

Equity Transfers and Capital Increase after Series A Financing

On May 11, 2015, our then Shareholders passed a resolution approving an increase in our Company's registered capital subscribed by all our then Shareholders other than Mr. Tang Gengxin, Mr. Wang Feng and Mr. Jiang Baiping (the "Capital Increase in May 2015") at nominal value as detailed below:

Subscribers	Registered capital subscribed for
	(RMB)
Dr. Hu	397,573
Suzhou Yuandian VC	49,266
Suzhou VC Guidance Fund	49,266
Suzhou Yinji	39,758
Suzhou Qina	34,572
Suzhou Xieli VC	142,609
Suzhou Ronglian VC	142,609

Pursuant to an equity transfer agreement dated May 21, 2015, Mr. Tang Gengxin, Mr. Wang Feng and Mr. Jiang Baiping transferred all their equity interests in our Company to Tianjin TEDA Venture Capital Group Corporation Limited (天津泰達科技創業投資集團股份有限公司) ("Tianjin TEDA"), an independent third party, at a consideration of RMB3,331,673, RMB3,331,673 and RMB3,336,654, respectively (the "Tianjin TEDA 2015 Acquisitions"). The consideration was determined based on relevant parties' arms' length negotiations taking into account our Company's development stage. Upon completion of such equity transfers, Mr. Tang Gengxin, Mr. Wang Feng and Mr. Jiang Baiping ceased to be our Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to an equity transfer agreement dated November 2, 2015, Suzhou VC Guidance Fund transferred its registered capital in our Company of RMB225,165 to Suzhou Yuandian VC, at a consideration of RMB2,592,982 (the “**Suzhou VC Guidance Fund Transfer I**”). Pursuant to an equity transfer agreement dated November 2, 2015, Suzhou VC Guidance Fund transferred its registered capital in our Company of RMB71,927 to Suzhou Yinji, at a consideration of RMB817,820 (the “**Suzhou VC Guidance Fund Transfer II**”). The consideration of Suzhou VC Guidance Fund Transfer I and Suzhou VC Guidance Fund Transfer II were determined based on relevant parties’ arms’ length negotiations taking into account Company’s development stage. Upon completion of such equity transfers, Suzhou VC Guidance Fund ceased to be a Shareholder.

Pursuant to an equity transaction agreement dated January 27, 2016, Suzhou Yuandian VC transferred all its registered capital in our Company of RMB522,257 to Suzhou Haixu at a consideration of RMB6,072,780 as determined with reference to a valuation report of our Company by an independent valuer. Suzhou Haixu is one of our Employee Incentive Platforms, see “— Employee Incentive Platforms” for details. Upon completion of such equity transfer, Suzhou Yuandian VC ceased to be a Shareholder.

On January 22, 2016, our then Shareholders passed a resolution approving an increase in the registered capital to be subscribed by the then Shareholders set forth below at nominal value (the “**Capital Increase in January 2016**”) as detailed below. The Capital Increase in January 2016 was conducted as an incentive to our founder and early stage investors upon our achievement of certain business targets, and was entered into through our then Shareholders’ arm’s-length negotiations.

Subscribers	Registered capital subscribed for
	(RMB)
Dr. Hu	1,372,522
Suzhou Haixu	174,088
Suzhou Yinji	103,895
Suzhou Qina	69,495

Series B Financing

Pursuant to the investment agreement dated February 20, 2016, entered into among our Company, the series B financing investors of our Company set forth below and our then Shareholders, the following series B financing investors of our Company agreed to subscribe the increased registered capital of our Company (the “**Series B Financing**”):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Suzhou Ronglian VC	688,000	20,000,000
Jiangsu Gaotou Bondshine Venture Capital Partnership (L.P.) (江蘇高投邦盛創業投資合夥企業(有限合夥)) (“ Jiangsu Gaotou Bondshine ”)	655,320	19,050,000
Nanjing Bangsheng Juyuan Venture Capital Partnership (Limited Partnership) (南京邦盛聚源創業投資合夥企業(有限合夥)) (“ Bangsheng Juyuan ”)	32,680	950,000
Suzhou Junshi Xieli Venture Investment Co., Ltd. (蘇州君實協立創業投資有限公司) (“ Suzhou Junshixieli ”)	516,000	15,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Nantong Jinyuan Huifu Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (南通金源匯富創業投資合夥企業(有限合夥)) (previously known as Nantong Jinyuan Huifu Investment Partnership Enterprise (Limited Partnership) (南通金源匯富投資合夥企業(有限合夥))) (“ Jinyuan Huifu ”)	172,000	5,000,000
Beijing Haiju Assistance Entrepreneurship Investment Center (L.P.) (北京海聚助力創業投資中心(有限合夥)) (“ Beijing Haiju ”)	344,000	10,000,000

Equity Transfers after Series B Financing

Pursuant to the equity transfer agreement dated October 20, 2017, entered into among Dr. Hu and the Series B Financing investors, Dr. Hu transferred his registered capital in our Company of RMB602,000 to the Series B Financing Investors at nil consideration, as detailed below (the “**Hu Zhaoyang Transfer in October 2017**”). See note 5 to “— Pre-IPO Investments — Summary of Pre-IPO Investments” for details.

Transferor	Transferees	Registered capital acquired
		(RMB)
Dr. Hu	Jiangsu Gaotou Bondshine	163,830
	Bangsheng Juyuan	8,170
	Suzhou Junshixieli	129,000
	Jinyuan Huifu	43,000
	Beijing Haiju	86,000
	Suzhou Ronglian VC	172,000

Series B+ Financing

Pursuant to the investment agreement dated October 26, 2017, entered into among our Company, the series B+ financing investors of our Company set forth below and our then Shareholders, the following series B+ financing investors of our Company agreed to subscribe the increased registered capital of our Company (the “**Series B+ Financing**”):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Suzhou Bangsheng Yingxin Venture Investment Enterprises (L.P.) (蘇州邦盛贏新創業投資企業(有限合夥)) (“ Suzhou Bangsheng Yingxin ”)	340,560	9,900,000
Suzhou Association For Wide Band-Aid Venture Capital Center (L.P.) (蘇州協立寬禁帶創業投資中心(有限合夥)) (“ Suzhou Wide Band-Aid ”)	206,400	6,000,000
Zhenjiang Junding Xieli Entrepreneurship Investment Co., Ltd. (鎮江君鼎協立創業投資有限公司) (“ Junding Xieli ”)	103,200	3,000,000

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Subscribers	Registered capital subscribed for <i>(RMB)</i>	Consideration <i>(RMB)</i>
Suzhou Jusheng Entrepreneurship Investment Co., Ltd. (蘇州聚昇創業投資有限公司) (“ Jusheng VC ”)	68,800	2,000,000
Suzhou Jingu Yuanxin Technology Venture Capital Partnership (Limited Partnership) (蘇州金谷源鑫科技創業投資合夥企業(有限合夥)) (previously known as Renbao (Suzhou) Technology Insurance Venture Capital Enterprises (L.P.) (人保(蘇州)科技保險創業投資企業(有限合夥)) (“ Jingu Yuanxin ”)	172,000	5,000,000
Zhong Junqi (鐘俊奇)	103,200	3,000,000
Nanjing Bangsheng Juyuan Venture Capital Partnership (Limited Partnership) (南京邦盛聚源創業投資合夥企業(有限合夥)) (“ Bangsheng Juyuan ”)	3,440	100,000
Tianjin TEDA	103,200	3,000,000
Suzhou Junshixieli	34,400	1,000,000
Beijing Haiju	68,800	2,000,000

Equity Transfers after Series B+ Financing and Subscription by Suzhou Haiyi

Pursuant to the equity transfer agreement dated September 17, 2019, entered into among Dr. Hu, the Series B+ Financing investors and our then Shareholders, Dr. Hu transferred his registered capital in our Company of RMB259,028 to the Series B+ Financing Investors at nil consideration, as detailed below (the “**Hu Zhaoyang Transfer in September 2019**”). See note 6 to “— Pre-IPO Investments — Summary of Pre-IPO Investments” for details.

Transferor	Transferees	Registered capital acquired <i>(RMB)</i>
Dr. Hu	Suzhou Bangsheng Yingxin	73,268
	Suzhou Wide Band-Aid	44,405
	Junding Xieli	22,202
	Jusheng VC	14,802
	Jingu Yuanxin	37,004
	Zhong Junqi	22,202
	Bangsheng Juyuan	740
	Tianji TEDA	22,202
	Suzhou Junshixieli	7,401
	Beijing Haiju	14,802

On September 20, 2019, our then Shareholders passed a resolution approving an increase of RMB1,150,000 in the registered capital of our Company to be subscribed by Suzhou Haiyi at nominal value (the “**Subscription by Suzhou Haiyi**”). Suzhou Haiyi is one of our Employee Incentive Platforms. See “— Employee Incentive Platforms” below in this section for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series C Financing

Pursuant to the investment agreement dated October 15, 2019, entered into among our Company, the series C financing investors of our Company set forth below and our then Shareholders, the following series C financing investors of our Company agreed to subscribe the increased registered capital of our Company (the “**Series C Financing**”):

Subscribers	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Suzhou Huiqi Venture Capital Partnership (Limited Partnership) (蘇州匯琪創業投資合夥企業(有限合夥)) (“ Suzhou Huiqi ”) . .	465,680	20,000,000
Shanghai Handuo Investment Center (L.P.) (上海漢鐸投資中 心(有限合夥)) (“ Shanghai Handuo ”)	465,680	20,000,000
Wuxi Yuli Venture Capital Partnership (L.P.) (無錫毓立創業投資 合夥企業(有限合夥)) (“ Wuxi Yuli ”)	465,680	20,000,000
Jiaxing Gaohe Venture Capital Partnership (L.P.) (嘉興高和創業 投資合夥企業(有限合夥)) (“ Jiaxing Gaohe ”)	349,260	15,000,000
Tianjin TEDA	232,840	10,000,000
Beijing Haiju	116,420	5,000,000

Series D Financing

Pursuant to the investment agreement dated September 15, 2020, entered into among our Company, the series D financing investors of our Company set forth below and our then Shareholders, the following series D financing investors of our Company set forth below agreed to subscribe the increased registered capital of our Company (the “**Series D Financing**”):

Subscribers	Registered capital subscribed for	Consideration paid for subscription
	(RMB)	(RMB)
Yiwu Huaxinyuanjing Venture Capital Center (L.P.) (義烏華芯遠景創業投資中心(有限合夥)) (“ Yiwu Huaxinyuanjing ”)	404,046	50,000,000
Nanjing Jucheng Qiushi Equity Investment Partnership (L.P.) (南 京俱成秋實股權投資合夥企業(有限合夥)) (“ Jucheng Qiushi ”)	242,428	30,000,000
Suzhou Juyuan Casting Venture Capital Partnership (L.P.) (蘇州聚源鑄芯創業投資合夥企業(有限合夥)) (“ Juyuan Casting ”)	161,618	20,000,000

Conversion into a Joint Stock Company

On December 22, 2020, our Company was converted into a joint stock company with its corporate name changed to Crealights Technology Co., Ltd. (蘇州海光芯創光電科技股份有限公司). Upon the completion of the conversion, the registered capital of our Company became RMB60,000,000, divided into 60,000,000 Shares with a nominal value of RMB1.00 each.

Series E Financing

Our Company underwent series E financing through capital increases and equity transfers (the “**Series E Financing**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscription of increased shares in Series E Financing

Pursuant to the capital contribution agreements entered into among our Company, the Series E Financing investors set forth below and our then Shareholders, the following Series E Financing investors agreed to subscribe our Shares:

Date of Agreements	Subscribers	Shares subscribed for	Consideration
			(RMB)
December 27, 2022 (“ Alibaba Subscription ”). . .	Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司) (“ Alibaba China ”)	1,200,000	40,000,000
July 31, 2024 (“ Xiaomi and Yuanhe Subscriptions ”). . .	Beijing Xiaomi Zhizao Equity Investment Fund Partnership Enterprise (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥)) (“ Xiaomi Zhizao ”)	1,165,714	40,000,000
	Suzhou Industrial Park Integrated Circuit Growth Fund Partnership (Limited Partnership) (蘇州工業園區集成電路成長基金合夥企業(有限合夥)) (“ Yuanhe ”)	582,857	20,000,000

Equity Transfers in Series E Financing

Pursuant to the equity purchase agreements entered into among our then Shareholders and the Series E Financing investors set forth below, the following Series E Financing investors agreed to acquire the Shares:

Date of Agreement	Transferors	Transferees	Shares acquired	Consideration	Consideration basis
				(RMB)	
December 27, 2022 (“ Alibaba Acquisitions ”)	Suzhou Ronglian VC	Alibaba China	1,800,000	30,000,000	Determined based on relevant parties’ arms’ length negotiations taking into account investors’ exit plan.
	Wuxi Yuli		429,120	7,152,000	
	Suzhou Wide Band-Aid		170,880	2,848,000	
July 31, 2024 (“ Xiaomi, Yuanhe and Jiang Wenhao Acquisitions ”)	Jingu Yuanxin	Xiaomi Zhizao	612,000	10,000,000	Determined based on relevant parties’ arms’ length negotiations taking into account investors’ exit plan.
	Suzhou Yinji	Yuanhe	612,000	10,000,000	
	Beijing Haiju	Jiang Wenhao (蔣文昊)	612,000	10,000,000	

Series F Financing

Pursuant to the subscription agreement dated March 7, 2025, entered into among our Company, Jiangsu Bohua Equity Investment Partnership Enterprise (Limited Partnership) (江蘇博華股權投資合夥企業(有限合夥)) (“**Jiangsu Bohua**”) and our then Shareholders, the Jiangsu Bohua agreed to subscribe 4,291,948 Shares at a consideration of RMB150,000,000 (the “**Series F Financing**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfers in 2024 and 2025

Pursuant to an equity transfer agreement dated August 2, 2024, Jucheng Qiushi transferred its 666,680 Shares to Shanghai Changshun Jianye Consulting Management Co., Ltd. (上海長舜建業諮詢管理有限公司) (“**Shanghai Changshun**”), at a consideration of RMB24,680,000 (the “**Jucheng Qiushi Transfer I**”). Pursuant to the equity transfer agreement dated February 28, 2025, Jucheng Qiushi transferred its 333,340 Shares to Jiang Wenhao, at a consideration of RMB12,658,082 (the “**Jucheng Qiushi Transfer II**”). The consideration was determined based on relevant parties’ arms’ length negotiations, taking into account Company’s development stage.

Series F+ Financing

Pursuant to the capital increase agreements entered into among our Company, the series F+ financing investors of our Company set forth below and our then Shareholders, the following series F+ financing investors of our Company agreed to subscribe the Shares (the “**Series F+ Financing**”):

Date of agreements	Subscribers	Shares subscribed for	Consideration (RMB)
March 30, 2025 . . .	Beijing Information Industry Development Investment Fund (Limited Partnership) (北京信息產業發展投資基金(有限合夥)) (“ Beijing InfoDev Fund ”)	4,291,948	150,000,000
	Beijing Economic and Technological Development Zone Industrial Upgrading Equity Investment Fund Phase II (Limited Partnership) (北京經濟技術開發區產業升級股權投資基金二期(有限合夥)) (“ Beijing ETDA Upgrade Fund II ”)	4,291,948	150,000,000
July 10, 2025	Xiaomi Zhizao	286,130	10,000,000

Equity Transfers after Series F+ Financing

Pursuant to the equity transfer agreement dated September 20, 2025, entered into among certain of our Shareholders and Jiangsu Zhongtian Technology Co. Ltd. (江蘇中天科技股份有限公司) (“**Zhongtian Technology**”), Zhongtian Technology agreed to acquire the Shares as detailed below (the “**Equity Transfers in September 2025**”):

Transferors	Transferee	Shares acquired	Consideration (RMB)
Jiang Wenhao . . .	Zhongtian Technology	333,340	13,139,047
Shanghai Changshun		666,680	26,278,093

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals and mergers that we consider to be material to us.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, we established following employee incentive platforms, with Dr. Hu being their respective general partner, holding 86.09% and 37.28% of the partnership interests in Suzhou Haiyi and Suzhou Haixu, respectively:

Employee Incentive Platforms	Date of Establishment	As at the Latest Practicable Date	
		Percentage of Shareholding in our Company ⁽¹⁾	Limited Partners
Suzhou Haiyi	March 6, 2015	6.23%	Held as to approximately (i) 3.74% by Mr. Hu Yong (our Director), (ii) 3.22% by Ms. Zhou Hong (our Director) and (iii) 6.96% in aggregate by eight current and former employees of our Group ⁽¹⁾
Suzhou Haixu	November 29, 2015	3.77%	Held as to approximately (i) 11.22% by Mr. Hu Yong (our Director), (ii) 0.95% by Ms. Zhou Hong (our Director) and (iii) 50.55% in aggregate by four current and former employees of our Group, none of which holds more than 30% of the partnership interests ⁽¹⁾

PREVIOUS A SHARE LISTING PLAN

In December 2020, we entered into a tutoring agreement (the “**Tutoring Agreement**”) with Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司) (“**Huatai United Securities**”), pursuant to which Huatai United Securities agreed to provide guidance for us during the tutoring process (輔導期) for a potential A share listing (the “**A Share Listing Preparation**”). As part of the A Share Listing Preparation, we filed a notice of A share pre-listing tutoring application with the CSRC on December 29, 2020. Considering that the Stock Exchange would provide us with an international platform to access foreign capital, attract diverse overseas investors and, raise our profile and market awareness, we decided to pursue the Listing on the Stock Exchange. Therefore, in August 2025, our Company and Huatai United Securities terminated the Tutoring Agreement. Since the execution of the Tutoring Agreement and up to the Latest Practicable Date, we had not submitted any A share listing application to the CSRC or any stock exchange for review, nor did we receive any comments or inquiries from the CSRC (including its local offices) or any stock exchange in the PRC in relation to the A Share Listing Preparation.

To the best of our Directors’ knowledge and belief, our Directors are not aware of any material matter in relation to the A Share Listing Preparation that needs to be brought to the attention of the Stock Exchange. Based on the due diligence conducted by the Sole Sponsor, the Sole Sponsor is not aware of any material matter in relation to the A Share Listing Preparation that needs to be brought to the attention of the Stock Exchange.

(1) Including two current and former employees who hold partnership interests in both Suzhou Haiyi and Suzhou Haixu

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-IPO INVESTMENTS

Summary of Pre-IPO Investments

The following table sets forth a summary of the details of the Pre-IPO Investments⁽¹⁾:

	Amount of registered capital or number of Shares subscribed for	Amount of consideration paid	Post-money valuation of our Company	Date of investment agreement	Date of payment of full consideration	Approximate Cost per Share paid under the Pre-IPO Investment	Discount to the Offer Price ⁽⁴⁾
Series Angel Financing	RMB869,565	RMB10,000,000	RMB27,000,000	May 15, 2012	July 31, 2012	RMB2.79 ⁽³⁾	97.19%
Series A Financing	RMB1,434,782	RMB20,000,000	RMB60,000,000	March 6, 2015	March 27, 2015	RMB3.38 ⁽³⁾	96.59%
Tianjin TEDA 2015 Acquisitions . . .	RMB860,000	RMB10,000,000	— ⁽²⁾	May 21, 2015	August 31, 2015	RMB2.82 ⁽³⁾	97.16%
Suzhou VC Guidance Fund Transfer I	RMB225,165	RMB2,592,982	— ⁽²⁾	November 2, 2015	November, 2015	RMB2.79 ⁽³⁾	97.19%
Suzhou VC Guidance Fund Transfer II	RMB71,927	RMB817,820	— ⁽²⁾	November 2, 2015	July 9, 2015	RMB2.76 ⁽³⁾	97.22%
Series B Financing	RMB2,408,000 ⁽⁵⁾	RMB70,000,000	RMB216,000,000	February 20, 2016	March 25, 2016	RMB7.05 ⁽³⁾	92.90%
Series B+ Financing	RMB1,204,000 ⁽⁶⁾	RMB35,000,000	RMB251,000,000	October 26, 2017	March 7, 2019	RMB7.05 ⁽³⁾⁽⁶⁾	92.90%
Series C Financing	RMB2,095,560	RMB90,000,000	RMB590,000,000	October 15, 2019	April 23, 2020	RMB10.41 ⁽³⁾	89.51%
Series D Financing	RMB808,092	RMB100,000,000	RMB1,800,000,000	September 15, 2020	September 25, 2020	RMB30.00 ⁽³⁾⁽⁷⁾	69.77%
Series E Financing							
Alibaba Subscription	1,200,000	RMB40,000,000	RMB2,040,000,000	December 27, 2022	December 29, 2022	RMB33.33	66.41%
Xiaomi and Yuanhe Subscriptions . .	1,748,571	RMB60,000,000	RMB2,160,000,000	July 31, 2024	August 15, 2024	RMB34.31	65.43%
Alibaba Acquisitions	2,400,000	RMB40,000,000	— ⁽²⁾	December 27, 2022	December 29, 2022	RMB16.67	83.20%
Xiaomi, Yuanhe and Jiang Wenhao Acquisitions	1,836,000	RMB30,000,000	— ⁽²⁾	July 31, 2024	September 6, 2024	RMB16.34	83.53%

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Amount of registered capital or number of Shares subscribed for	Amount of consideration paid	Post-money valuation of our Company	Date of investment agreement	Date of payment of full consideration	Approximate Cost per Share paid under the Pre-IPO Investment	Discount to the Offer Price ⁽⁴⁾
Series F Financing	4,291,948	RMB150,000,000	March 7, 2025	March 17, 2025	RMB34.95	64.78%
Jucheng Qiuishi Transfer I.	666,680	RMB24,680,000	— ⁽²⁾	August 2, 2024	RMB37.02	62.69%
Jucheng Qiuishi Transfer II	333,340	RMB12,658,082	— ⁽²⁾	February 28, 2025	RMB37.97	61.74%
Series F+ Financing	8,870,026	RMB310,000,000	March 30, 2025 July 10, 2025	August 28, 2025	RMB34.95	64.78%
Equity Transfers in September 2025	1,000,020	RMB39,417,140	— ⁽²⁾	September 29, 2025	RMB39.42	60.28%

Basis of consideration The consideration for each round of the Pre-IPO Investments were determined based on arm's length negotiations among the relevant parties taking into consideration the timing of the investments and our Company's development stage.

Lock-up period Pursuant to the applicable PRC laws, within one year following the Listing Date, all existing Shareholders (including our Pre-IPO Investors) could not dispose of any of the Shares held by them.

Use of proceeds and whether they have been fully utilized. We utilized the proceeds from the Pre-IPO Investments for our principal business, including but not limited to the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, majority of the net proceeds from the Pre-IPO Investments had been utilized.

Strategic benefits At the time of the Pre-IPO Investments, our Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-IPO Investors and their market influence, knowledge and experience and (ii) the Pre-IPO Investments demonstrated the Pre-IPO Investors' confidence in the operation and development of our Group.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (1) The Capital Increase in May 2015 conducted at nominal value is not included in the above table. The consideration of such capital increase was fully settled on September 22, 2020. The cost per Share of such subscription was approximately RMB0.24. The discount to the Offer Price of such transfer is approximately 99.76%. For details of the capital increase, see “— Establishment and Corporate Development — Equity Transfers and Capital Increase after Series A Financing” in this section.

The Capital Increase in January 2016 is not included in the above table as it was conducted at nominal value as an incentive to our founder and early stage investors. The consideration of such capital increase was fully settled on September 22, 2020. The cost per Share of such subscription was approximately RMB0.24. The discount to the Offer Price of such transfer is approximately 99.76%. For details of the capital increase, see “— Establishment and Corporate Development — Equity Transfers and Capital Increase after Series A Financing” in this section.

- (2) Our Company was not a party to such equity transfers. The consideration of such equity transfers was not paid to our Company and was determined upon arm’s length negotiations among the relevant parties taking into account relevant investor’s exit plan, which was beyond our control. Therefore, such considerations did not reflect our then implied valuation.
- (3) All the costs per Share disclosed in the table and note (1) above before our conversion into the joint stock company in December 2020 were adjusted from then costs per registered capital of our Company.
- (4) The discount to the Offer Price is calculated based on the Offer Price of HK\$114.00 per H Share.
- (5) The Hu Zhaoyang Transfer in October 2017 is not included in the above table as such equity transfer was conducted by Dr. Hu to Series B Financing investors at nil consideration for our failure to achieve the profit target pursuant to arrangements between our then Shareholders upon completion of Series B Financing.
- (6) The Hu Zhaoyang Transfer in September 2019 is not included in the above table as such equity transfer was conducted by Dr. Hu to Series B+ Financing investors at nil consideration for our failure to achieve the profit target pursuant to arrangements between our then Shareholders upon completion of Series B+ Financing.
- (7) The significant increase in our Company’s valuation in its Series D Financing were mainly due to various factors, including but not limited to the significant growth in our business, our revenue increase in 2020, and our preparation of a potential A share listing.

Special Rights of the Pre-IPO Investors

The Pre-IPO Investors were granted certain special rights including, but not limited to, redemption rights, pre-emptive rights, director nomination rights, veto rights to certain corporate actions, anti-dilution rights and information rights. Prior to the execution of the termination agreement entered into between our Company and our then Shareholders on October 23, 2025 (the “**Termination Agreement**”), there had been no exercise of redemption rights granted by our Company to the Pre-IPO investors, and the only special rights exercised by certain Shareholders were the rights to nominate directors and board observers and the right to information. Pursuant to the Termination Agreement, the redemption rights granted to the Pre-IPO Investors have been terminated prior to the first submission of our listing application to the Stock Exchange (the “**First Filing**”), and the redemption rights granted by our Company to the Pre-IPO Investors were terminated *ab initio*. Our PRC Legal Advisor is of the view that the exercise of the rights to nominate directors and board observers and the right to information does not affect its conclusion that the redemption rights granted by our Company have been irrevocably terminated and deemed void *ab initio*. Except for the redemption rights granted by our Company to the Pre-IPO Investors, any other redemption rights which have been terminated prior to First Filing shall be restored if the Listing does not take place including, but not limited to, any occurrence of events which would render the withdrawal, rejection, return or lapse of our listing application. All other special rights granted to the Pre-IPO Investors shall be terminated prior to the Listing.

Article 143 of the Civil Code of the PRC stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. In accordance with the Civil Code of the PRC and relevant laws and regulations of the PRC, our PRC Legal Advisor is of the view that the Termination Agreement represents the genuine intention of all parties, does not contravene any mandatory provisions of PRC laws or administrative regulations, and is legally binding and effective on all parties. In particular, the agreement between our Company and all

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then Shareholders that the Company's redemption obligation provisions are "irrevocably terminated and void *ab initio*" constitutes a valid contractual arrangement based on the principle of autonomy of will. Given that the redemption obligations have never been performed, the parties, through the explicit expression of intent embodied in the Termination Agreement, have agreed that the provisions relating to our Company's redemption obligations shall be terminated and shall remain irrevocably terminated in the future, and shall be deemed to have had no legal effect as of the date of execution, thereby restoring the rights and obligations of our Company and all then Shareholders to the status quo prior to the execution of the Series F+ Financing Shareholders' Agreement. Such arrangement does not violate any mandatory provisions of laws or administrative regulations, and therefore is legally valid.

No redemption liability was recorded during the Track Record Period. For details, see note 29 to the Accountants' Report in Appendix I.

Sole Sponsor's Confirmation

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the First Filing or no less than 120 clear days before the Listing Date; and (ii) all the special rights granted to the Pre-IPO Investors as set out above have been terminated, the Sole Sponsor confirms that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide.

Information about our Pre-IPO Investors

The background information of our Pre-IPO Investors is set out below. To the best knowledge of our Directors, save as disclosed below, each of our Pre-IPO Investors is independent from, and not connected with, any Director, chief executive or substantial shareholder of our Company, its subsidiaries or any of their respective close associates, and each of such Pre-IPO Investors is independent from each other.

Pre-IPO Investors

Background

Suzhou Jinhesheng	Suzhou Jinhesheng Holdings Co., Ltd. (蘇州金合盛控股有限公司) ("Suzhou Jinhesheng") (through Suzhou Ronglian VC, Jusheng VC, Jingu Yuanxin and Suzhou Huiqi) made Pre-IPO Investments in our Company. Suzhou Jinhesheng is indirectly owned as to approximately 94.92% by Suzhou National High-tech Industrial Development Zone Management Committee (Suzhou Huqiu District People's Government) (蘇州國家高新技術產業開發區管理委員會(蘇州市虎丘區人民政府)) ("Huqiu Government"), a state-owned entity. Details are set out below:
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Pre-IPO Investors

Background

Suzhou Ronglian VC is a limited partnership established in the PRC and mainly engaged in equity investment. Suzhou Ronglian VC is managed by Suzhou High-tech Venture Capital Group Ronglian Management Co., Ltd. (蘇州高新創業投資集團融聯管理有限公司) (“**Suzhou Ronglian High-tech Venture**”). Suzhou Ronglian High-tech Venture is owned as to 40.00% by Suzhou New DISTRICT HI-TECH Industrial Co., Ltd. (蘇州新區高新技術產業股份有限公司) (“**Suzhou New DISTRICT HI-TECH**”) (a company listed on the Shanghai Stock Exchange (stock code: 600736) and owned as to approximately 43.79% by Suzhou Hi-Tech Zone Economic Development Group Corporation (蘇州蘇高新集團有限公司) (“**Sugaoxin Group**”) and 38.00% by Kong Jianhua (孔建華). Sugaoxin Group is owned approximately 90.63% by Huqiu Government. The investment decisions of Suzhou Ronglian VC related to the Company are ultimately controlled by Suzhou Jinhesheng. Suzhou Ronglian VC has 11 limited partners, with its largest partner, Suzhou New DISTRICT HI-TECH, directly and indirectly holding approximately 40.38% of the partnership interests. None of the other ten limited partners directly holds more than 15.00% of the partnership interests.

Jusheng VC is a limited liability company established in the PRC and is wholly owned by Suzhou HIGH-TECH Venture CAPITAL Group Co., Ltd. (蘇州高新創業投資集團有限公司) (“**Gaoxin VC**”). Gaoxin VC is a limited liability company established in the PRC and mainly engaged in venture capital investment and investment management. Gaoxin VC is owned as to approximately 85.03% by Suzhou Jinhesheng.

Jingu Yuanxin is a limited partnership established in the PRC and is managed by Gaoxin VC. The sole limited partner of Jingu Yuanxin is Suzhou Science and Technology Innovation and Entrepreneurship Investment Co., Ltd. (蘇州市科技創新創業投資有限公司), holding 50.00% of the partnership interests, which is indirectly owned as to approximately 91.67% by Suzhou Finance Bureau (蘇州市財政局).

Suzhou Huiqi is a limited partnership established in PRC and mainly engaged in venture capital investment. Suzhou Huiqi is managed by Suzhou High Tech Venture Capital Group Rongxiang Investment Management Co., Ltd. (蘇州高新創業投資集團融享投資管理有限公司), which is owned as to 47.00% by Kong Jianhua (孔建華), 35.00% by Gaoxin VC and 18.00% by Lin Dong (林棟). The investment decisions of Suzhou Huiqi related to the Company are ultimately controlled by Suzhou Jinhesheng. The sole limited partner of Suzhou Huiqi is Gaoxin VC holding 99.00% of the partnership interests.

Tianjin TEDA Tianjin TEDA is a limited liability company established in PRC and mainly engaged in private equity investment. It has 27 shareholders, none of whom owns more than 14.69% of its equity interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-IPO Investors

Yunshan Capital

Background

Jiangsu Yunshan Capital Management Co., Ltd. (江蘇雲杉資本管理有限公司) (“**Yunshan Capital**”) (through Suzhou Xieli VC, Suzhou Junshixieli and Junding Xieli) made Pre-IPO Investments in our Company. Yunshan Capital is wholly owned by Jiangsu Communications Holdings Co., Ltd. (江蘇交通控股有限公司) (“**Jiangsu Communications**”), a state-owned entity. Details are set out below:

Suzhou Xieli VC is a limited liability company established in PRC and mainly engaged in venture capital investment. Suzhou Xieli VC is owned as to 64.00% by Nanjing Xieli Entrepreneurship Investment Co., Ltd. (南京協立創業投資有限公司) (“**Nanjing Xieli**”) and 36.00% by four other shareholders with none of the other four shareholders holding more than 30.00%. Nanjing Xieli is wholly owned by Yunshan Capital.

Suzhou Junshixieli is a limited liability company established in PRC and mainly engaged in venture capital investment. Suzhou Junshixieli is directly owned as to 59.00% by Nanjing Xieli and 41.00% by three other shareholders with none of the other three shareholders holding more than 30.00%.

Junding Xieli is a limited liability company established in the PRC and mainly engaged in venture capital investment, venture capital consulting and venture management. Junding Xieli is owned as to 59.00% by Yunshan Capital and 41.00% by four other shareholders with none of the other four shareholders holding more than 30.00%.

Bondshine Capital

Nanjing CCI Capital Ltd. (南京邦盛投資管理有限公司) (“**Bondshine Capital**”) (through Jiangsu Gaotou Bondshine, Bangsheng Juyuan and Suzhou Bangsheng Yingxin) made Pre-IPO Investments in our Company. Bondshine Capital is owned as to approximately 44.62%, 33.85% and 21.54% by Gao Chong (郜翀), Ling Mingsheng (凌明聖) and another individual, respectively. Details are set out below:

Jiangsu Gaotou Bondshine is a limited partnership established in PRC and mainly engaged in venture capital investment. Jiangsu Gaotou Bondshine is managed by Bondshine Capital Co., Ltd. (江蘇邦盛股權投資基金管理有限公司), which is in turn owned as to 65.00% and 35.00% by Bondshine Capital and Jiangsu Coastal Capital Co., Ltd. (江蘇沿海創新資本管理有限公司), respectively. Jiangsu Coastal Capital Co., Ltd. is owned as to 35.36% by Nanjing Bondshine Jurun Enterprise Management Partnership (Limited Partnership) (南京邦盛聚潤企業管理合夥企業(有限合夥)) (“**Nanjing Bondshine**”), 35.26% by Jiangsu Yanhai Development Group Co., Ltd. (江蘇省沿海開發集團有限公司) and 29.38% by two other shareholders. Nanjing Bondshine is managed by Bondshine Capital. Jiangsu Yanhai Development Group Co., Ltd. is a state-owned entity. Jiangsu Gaotou Bondshine has ten limited partners, with the largest limited partner, Nanjing Bangsheng Jufeng Venture Capital Partnership Enterprise (Limited Partnership) (南京邦盛聚豐創業投資合夥企業(有限合夥)) holding approximately 24.49% of the partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-IPO Investors

Background

Bangsheng Juyuan is a limited partnership established in the PRC and mainly engaged in venture capital investment. Bangsheng Juyuan is managed by Bondshine Capital. Bangsheng Juyuan has fifteen limited partners, with the largest limited partner, Gao Chong holding 18.75% of the partnership interests.

Suzhou Bangsheng Yingxin is a limited partnership established in PRC and mainly engaged in venture capital investment. Suzhou Bangsheng Yingxin is managed by Nanjing Bangsheng Juhong Venture Capital Partnership (Limited Partnership) (南京邦盛聚鴻創業投資合夥企業(有限合夥)), which is in turn managed by Bondshine Capital. Suzhou Bangsheng Yingxin has three limited partners, with the largest limited partner, Suzhou Bangsheng Chuangji Venture Capital Enterprise (Limited Partnership) (蘇州邦盛創驥創業投資企業(有限合夥)), holding approximately 72.62% of the partnership interests.

Beijing Haiju Beijing Haiju is a limited partnership established in PRC and mainly engaged in investment management and consulting. Beijing Haiju is managed by Beijing Haiju Assistance Investment Management Co., Ltd. (北京海聚助力投資管理有限公司). Beijing Haiju Assistance Investment Management Co., Ltd. is owned as to 49.00%, 40.00% and 11.00% by Qiu Yufang (邱玉芳), Guo Rong (郭榮) and another individual, respectively. Beijing Haiju has ten limited partners, with the largest limited partner, Nantong Shenghe Venture Capital Center (Limited Partnership) (南通升和助力創業投資中心(有限合夥)), directly holding approximately 19.48% of the partnership interests.

Shanghai Handuo Shanghai Handuo is a limited partnership established in PRC and mainly engaged in private equity investment and assets management. Shanghai Handuo is managed by Shanghai Handuo Capital Management Co., Ltd. (上海漢鐸股權投資管理有限公司). Shanghai Handuo Capital Management Co., Ltd. is owned as to 99.00% by the Shanghai Jinsha Financial Advisory Center (L.P.) (上海金沙財務顧問中心(有限合夥)) which is in turn managed by Yang Haidong (楊海東). Shanghai Handuo has 12 limited partners, none of whom holds more than 14.00% of the partnership interests.

Yiwu Huaxinyuanjing Yiwu Huaxinyuanjing is a limited partnership established in PRC and mainly engaged in venture capital investment and venture capital consulting. Yiwu Huaxinyuanjing is managed by Qingdao Huaxin Quantum Entrepreneurship Investment Management Center (Limited Partnership) (青島華芯量子創業投資管理中心(有限合夥)) (“**Qingdao Huaxin Quantum**”). Qingdao Huaxin Quantum is managed by Qingdao Huaxin Focus Investment Management Co., Ltd. (青島華芯焦點投資管理有限公司) (“**Qingdao Huaxin Focus**”). Qingdao Huaxin Focus is wholly owned by Walden Alps Investment Management Hong Kong Limited (華登峻嶺投資管理香港有限公司) (“**Walden Alps**”). Walden Alps is incorporated under the laws of Hong Kong with limited liability, and is ultimately held by individual shareholders, who are independent third parties. Yiwu Huaxinyuanjing has 23 limited partners, none of whom holds more than 30.00% of the partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-IPO Investors

Background

Suzhou Xieli Equity Suzhou Xieli Equity Investment Management Center Limited Partnership (蘇州協立股權投資管理中心(有限合夥)) (“**Suzhou Xieli Equity**”) (through Suzhou Wide Band-Aid and Wuxi Yuli) made Pre-IPO Investments in our Company. Details are set out below:

Suzhou Wide Band-Aid is a limited partnership established in PRC and mainly engaged in venture capital investment. Suzhou Wide Band-Aid is managed by Suzhou Xieli Equity. Suzhou Wide Band-Aid has eight limited partners, with the largest limited partner, Hong Liang (洪亮) directly holding 20.00% of the partnership interests.

Wuxi Yuli is a limited partnership established in PRC and mainly engaged in venture capital investment. Wuxi Yuli is managed by Suzhou Xieli Equity. Wuxi Yuli has nine limited partners, the largest of which is Nanjing Power Law Investment Management Partnership (Limited Partnership) (南京昂律投資管理合夥企業(有限合夥)), holding approximately 43.60% of the partnership interests. None of the other eight limited partners holds more than 13.04% of the partnership interests.

Suzhou Xieli Equity is managed by Wuxi Feifan Xieli Private Equity Fund Management Co., Ltd. (無錫飛凡協立私募基金管理有限公司) (“**Wuxi Feifan Xieli**”). Wuxi Feifan Xieli is owned as to 99.00% by Suzhou Association Set Up Investment Management Co., Ltd. (蘇州協立投資管理有限公司), which is in turn owned as to 70.00% by Zhai Gang (翟剛) and 30.00% by Wang Li (王鵬), an ultimate beneficial owner of another of our Pre-IPO Investors, see “— Information about our Pre-IPO Investors — Jinyuan Huifu” below.

Jiaxing Gaohe Jiaxing Gaohe is a limited partnership established in PRC and mainly engaged in venture capital investment. Jiaxing Gaohe is managed by Yang Shaoxiao (楊紹校) and has one limited partner holding approximately 0.84% of the partnership interests.

Suzhou Industrial Park Entities Suzhou Industrial Park Management Committee (蘇州工業園區管理委員會), through Suzhou Qina and Yuanhe (collectively, the “**Suzhou Industrial Park Entities**”), made Pre-IPO Investments in our Company. Details of such investments are set out below:

Suzhou Qina is a limited liability company established in the PRC and mainly engaged in equity investment. Suzhou Qina is wholly owned by Nanopolis Suzhou Co., Ltd. (蘇州納米科技發展有限公司). Nanopolis Suzhou Co., Ltd. is wholly owned by Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. (蘇州工業園區國有資本投資運營控股有限公司) which is in turn owned as to 90.00% by Suzhou Industrial Park Management Committee (蘇州工業園區管理委員會).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-IPO Investors

Background

	<p>Yuanhe is a limited partnership established in the PRC and mainly engaged in private equity investment and investment management. Yuanhe is managed by Suzhou Industrial Park Yuanhe Emerging Industry Investment Management Co., Ltd. (蘇州工業園區元禾新興產業投資管理有限公司), which is in turn wholly owned by Suzhou Oriza Holdings Corporation (蘇州元禾控股股份有限公司) (“Oriza Holding”). Oriza Holding is owned as to 59.98% by Suzhou Industrial Park Economic Development Co., Ltd. (蘇州工業園區經濟發展有限公司) (“Suzhou Industrial Park”) (a company owned as to 90.00% by Suzhou Industrial Park Management Committee), and 40.02% by two other shareholders with each holding less than 30.00%. Yuanhe has three limited partners. The largest limited partner is Suzhou Industrial Park, holding approximately 55.00% of the partnership interests.</p>
Suzhou Yinji	<p>Suzhou Yinji is a limited liability company established in the PRC and mainly engaged in venture capital investment and consulting. Suzhou Yinji is owned as to 99.00% by Suzhou Chuangyin Investment Management Co., Ltd. (蘇州市創銀投資管理有限公司) (“Suzhou Chuangyin”), which is in turn owned as to approximately 68.42% by Zhang Dadi (張大弟) and 31.58% by Zhang Wei (張偉).</p>
Jinyuan Huifu	<p>Jinyuan Huifu is a limited partnership established in the PRC and mainly engaged in venture capital investment. Jinyuan Huifu is managed by Nantong Haifu CCI Capital Ltd. (南通海富投資管理有限公司), which is in turn owned as to 40.00% by Wang Li (王鵬), 30.00% by Hong Duyi (洪杜伊) and 30.00% by three other shareholders with each holding less than 30.00%. Jinyuan Huifu has six limited partners, with Property Zhongda Jinlun Blue Ocean Co., Ltd. (物產中大金輪藍海股份有限公司) holding 41.00% and Zhu Shanzhong (朱善終) holding 30.00% of the partnership interests.</p>
Juyuan Casting	<p>Juyuan Casting is a limited partnership established in the PRC and mainly engaged in venture capital investment. Juyuan Casting is managed by Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership) (蘇州聚源忻芯企業管理諮詢合夥企業(有限合夥)), which is in turn managed by China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司) (“Fortune-Tech Capital”). Fortune-Tech Capital is owned as to 35.00% by Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)) and 65.00% by four other shareholders with each holding less than 30.00%. Shanghai Xinqi Investment Center (Limited Partnership) is managed by Gongqingcheng Juchuang Investment Partnership Enterprise (Limited Partnership) (共青城聚創投資合夥企業(有限合夥)) (“Juchuang Partnership”). Juchuang Partnership is managed by Gao Yonggang (高永崗). Juyuan Casting has eleven limited partners, none of whom holds more than 30.00% of the partnership interests.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-IPO Investors

Background

Zhong Junqi	Zhong Junqi is an individual investor and invested in our Company by participating in the Series B+ Financing, with a view to benefiting from our future growth. He worked at Shanghai Yushang Investment Co., Ltd. (上海渝商投資股份有限公司) from April 2014 to May 2015. He became aware of the potential investment opportunity in our Group through his personal and professional connections.
Jiangsu Bohua	Jiangsu Bohua is a limited partnership established in the PRC and mainly engaged in private equity investment and investment management. Jiangsu Bohua is managed by Jiangsu Borong Equity Investment Partnership Enterprise (Limited Partnership) (江蘇博融股權投資合夥企業(有限合夥)), which is in turn managed by Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司) (“ Bohua Capital ”). Bohua Capital is owned as to 74.00% by Xu Wenbo (徐文博). Jiangsu Bohua has ten limited partners, none of whom holds more than 30.00% of the partnership interests.
Beijing InfoDev Fund	Beijing InfoDev Fund is a limited partnership established in the PRC and mainly engaged in private equity investment and investment management. The executive partners of Beijing InfoDev Fund are Beijing Jingguo Guan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) (“ Jingguo Guan ”) and Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) (“ Legend Capital ”). Jingguo Guan is wholly owned by Beijing State Owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司), a state-owned entity. Legend Capital is owned as to 80.00% by Beijing Juncheng Hezhong Investment Management Partnership Enterprise (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)), which is in turn managed by Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) (“ Junqi Jiarui ”). Junqi Jiarui is owned as to 40.00% by Chen Hao (陳浩) and 60.00% by three other shareholders with none of the other shareholders holding more than 20.00%. The sole limited partner of Beijing InfoDev Fund is Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)), holding 99.00% of the partnership interests.
Beijing ETDA Upgrade Fund II	Beijing ETDA Upgrade Fund II is a limited partnership established in the PRC and mainly engaged in private equity investment and investment management. Beijing ETDA Upgrade Fund II is managed by Beijing E-town International Industrial Investment Management Co., Ltd. (北京亦莊國際產業投資管理有限公司), which is in turn owned as to 99.00% by Beijing E-town International Investment and Development Co., Ltd. (北京亦莊國際投資發展有限公司) (“ E-town Investment Development ”). E-town Investment Development is wholly owned by the Beijing Economic-Technological Development Area Finance and State-owned Assets Bureau (北京經濟技術開發區財政國資局). The sole limited partner of Beijing ETDA Upgrade Fund II is Beijing Economic-Technological Development Zone Government Investment Guidance Fund Phase II (Limited Partnership) (北京經濟技術開發區政府投資引導基金二期(有限合夥)), holding approximately 99.98% of the partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-IPO Investors

Background

Alibaba China	Alibaba China is a company established in the PRC and primarily engaged in the operations of Alibaba's wholesale marketplaces, Taobao and Tmall. Alibaba China is indirectly wholly owned by Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company listed on the Stock Exchange (stock code: 9988) and New York Stock Exchange (stock code: BABA).
Xiaomi Zhizao	Xiaomi Zhizao is a limited partnership established in the PRC and mainly engaged in equity investment and venture capital. Xiaomi Zhizao is managed by Beijing Xiaomi Enterprise Management Co., Ltd. (北京小米企業管理有限公司), which is in turn wholly owned by Xiaomi Private Equity Fund Management Co., Ltd. (小米私募股權基金管理有限公司) ("Xiaomi PE"). Xiaomi PE is wholly owned by Xiaomi Inc. (小米科技有限責任公司), which is in turn owned as to approximately 77.80% by Lei Jun (雷軍). Xiaomi Zhizao has 16 limited partners, with the largest limited partner, Wuhan 1810 Enterprise Management Co., Ltd. (武漢壹捌壹零企業管理有限公司), holding 36.00% of the partnership interests and none of the other 15 limited partners holding more than 30% of the partnership interests. Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)), the limited partner of Beijing InfoDev Fund (our another Pre-IPO Investor, see "— Information about our Pre-IPO Investors — Beijing InfoDev Fund" above), also holds 20.00% of the partnership interests. E-town Investment Development, the controller of the general partner of Beijing ETDA Upgrade Fund II (another of our Pre-IPO Investors, see "— Information about our Pre-IPO Investors — Beijing ETDA Upgrade Fund II" above), also holds 10.00% of the partnership interests.
Jiang Wenhao	Jiang Wenhao is an individual investor who has invested in several companies since 2015. Jiang Wenhao became aware of the potential investment opportunity in our Group through the share transfer arrangement with Beijing Haiju.
Zhongtian Technology	Zhongtian Technology is a joint stock limited company established in the PRC and mainly engaged in technology R&D and sales. Zhongtian Technology is a company listed on the Shanghai Stock Exchange (stock code: 600522).

Apart from (i) 16,068,360 H Shares held by Dr. Hu, Suzhou Haiyi and Suzhou Haixu to be converted from the Unlisted Shares, (ii) 25,633,933 H Shares held by Suzhou Ronglian VC, Suzhou Huiqi, Jusheng VC, Jingu Yuanxin, Suzhou Xieli VC, Suzhou Junshixieli, Junding Xieli, Yuanhe, Suzhou Qina, Beijing InfoDev Fund and Beijing ETDA Upgrade Fund II to be converted from the Unlisted Shares, and (iii) 2,192,950 H Shares subscribed by JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP) in the Cornerstone Placing, all other H Shares will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules upon completion of the Global Offering and conversion of the Unlisted Shares into H Shares, assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme.

Upon completion of the Global Offering and conversion of the Unlisted Shares into H Shares, assuming that (i) 13,431,500 H Shares being issued in the Global Offering; (ii) the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme; (iii)

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

76,110,545 Unlisted Shares being converted to H Shares; and (iv) 89,542,045 Shares are issued and outstanding in the share capital of our Company upon completion of the Global Offering, 45,646,802 Shares, represents approximately 50.98% of the total issued Shares, which is higher than the prescribed percentage of H Shares required to be held in public hands (being 15.00%, the minimum prescribed public float percentage applicable to our Shares based on our expected market capitalization upon Listing) under Rule 19A.13A of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought, that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

In consideration that the market value of our H Shares in issue upon Listing that are held by the public and not subject to any disposal restrictions is expected to be not less than HK\$600,000,000, we believe that there will be a free and open market for our H Shares immediately upon the completion of the Global Offering in compliance with the requirements under Rule 19A.13C of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The following table is a summary of the capitalization of our Company:

Shareholder	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme)					
	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
Dr. Hu	8,452,320	11.11%	—	—	8,452,320	9.44%	8,452,320	9.44%
Suzhou Haiyi	4,743,660	6.23%	—	—	4,743,660	5.30%	4,743,660	5.30%
Suzhou Haixu	2,872,380	3.77%	—	—	2,872,380	3.21%	2,872,380	3.21%
Sub-total	16,068,360	21.11%	—	—	16,068,360	17.95%	16,068,360	17.95%
Suzhou Ronglian VC	5,294,880	6.96%	—	—	5,294,880	5.91%	5,294,880	5.91%
Suzhou Huiqi	1,920,900	2.52%	—	—	1,920,900	2.15%	1,920,900	2.15%
Jusheng VC	344,880	0.45%	—	—	344,880	0.39%	344,880	0.39%
Jingu Yuanxin	250,140	0.33%	—	—	250,140	0.28%	250,140	0.28%
Sub-total	7,810,800	10.26%	—	—	7,810,800	8.72%	7,810,800	8.72%
Suzhou Xieli VC	3,547,440	4.66%	—	—	3,547,440	3.96%	3,547,440	3.96%
Suzhou Junshixieli	2,833,020	3.72%	—	—	2,833,020	3.16%	2,833,020	3.16%
Junding Xieli	517,260	0.68%	—	—	517,260	0.58%	517,260	0.58%
Sub-total	6,897,720	9.06%	—	—	6,897,720	7.70%	6,897,720	7.70%
Jiangsu Gaotou Bondshine	3,378,960	4.44%	—	—	3,378,960	3.77%	3,378,960	3.77%
Suzhou Bangsheng Yingxin	1,707,000	2.24%	—	—	1,707,000	1.91%	1,707,000	1.91%
Bangsheng Juyuan	185,760	0.24%	—	—	185,760	0.21%	185,760	0.21%
Sub-total	5,271,720	6.93%	—	—	5,271,720	5.89%	5,271,720	5.89%
Wuxi Yuli	1,491,780	1.96%	—	—	1,491,780	1.67%	1,491,780	1.67%
Suzhou Wide Band-Aid	863,700	1.13%	—	—	863,700	0.96%	863,700	0.96%
Sub-total	2,355,480	3.09%	—	—	2,355,480	2.63%	2,355,480	2.63%
Yuanhe	1,194,857	1.57%	—	—	1,194,857	1.33%	1,194,857	1.33%
Suzhou Qina	1,146,660	1.51%	—	—	1,146,660	1.28%	1,146,660	1.28%

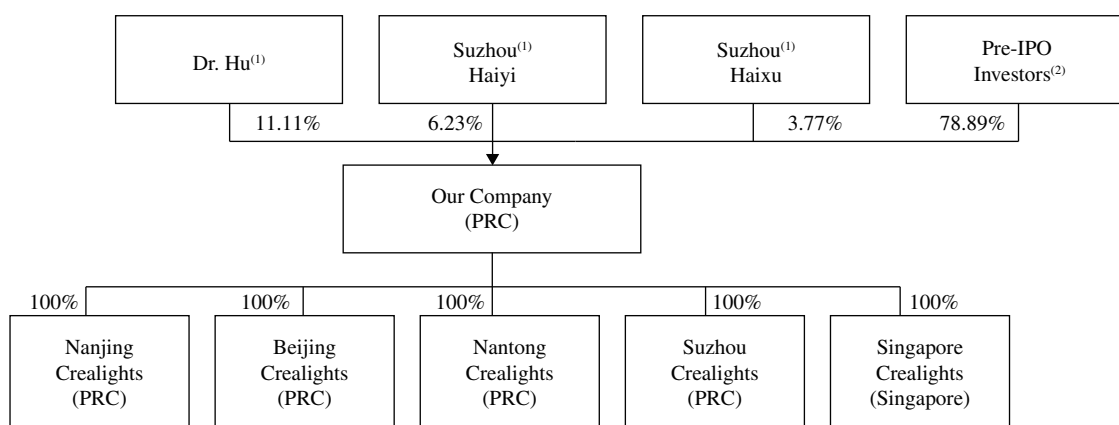
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme)					
	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
Sub-total	2,341,517	3.08%	—	—	2,341,517	2.61%	2,341,517	2.61%
Tianjin TEDA	5,025,180	6.60%	—	—	5,025,180	5.61%	5,025,180	5.61%
Jiangsu Bohua	4,291,948	5.64%	—	—	4,291,948	4.79%	4,291,948	4.79%
Beijing InfoDev Fund	4,291,948	5.64%	—	—	4,291,948	4.79%	4,291,948	4.79%
Beijing ETDA Upgrade Fund II	4,291,948	5.64%	—	—	4,291,948	4.79%	4,291,948	4.79%
Alibaba China	3,600,000	4.73%	—	—	3,600,000	4.02%	3,600,000	4.02%
Xiaomi Zhizao	2,063,844	2.71%	—	—	2,063,844	2.30%	2,063,844	2.30%
Beijing Haiju	1,986,780	2.61%	—	—	1,986,780	2.22%	1,986,780	2.22%
Shanghai Handuo	1,920,900	2.52%	—	—	1,920,900	2.15%	1,920,900	2.15%
Yiwu Huaxinyuanjing	1,666,680	2.19%	—	—	1,666,680	1.86%	1,666,680	1.86%
Jiaxing Gaohe	1,440,660	1.89%	—	—	1,440,660	1.61%	1,440,660	1.61%
Suzhou Yinji	1,102,260	1.45%	—	—	1,102,260	1.23%	1,102,260	1.23%
Zhongtian Technology	1,000,020	1.31%	—	—	1,000,020	1.12%	1,000,020	1.12%
Jinyuan Huifu	886,860	1.17%	—	—	886,860	0.99%	886,860	0.99%
Juyuan Casting	666,660	0.88%	—	—	666,660	0.74%	666,660	0.74%
Jiang Wenhao	612,000	0.80%	—	—	612,000	0.68%	612,000	0.68%
Zhong Junqi	517,260	0.68%	—	—	517,260	0.58%	517,260	0.58%
Investors taking part in the Global Offering	—	—	—	—	13,431,500	15.00%	13,431,500	15.00%
Total	76,110,545	100%	—	—	89,542,045	100%	89,542,045	100%

CORPORATE STRUCTURE

Corporate Structure Immediately before Completion of the Global Offering

The following chart illustrates the shareholding structure and simplified corporate structure of our Group immediately prior to the completion of the Global Offering and conversion of the Unlisted Shares into H Shares:

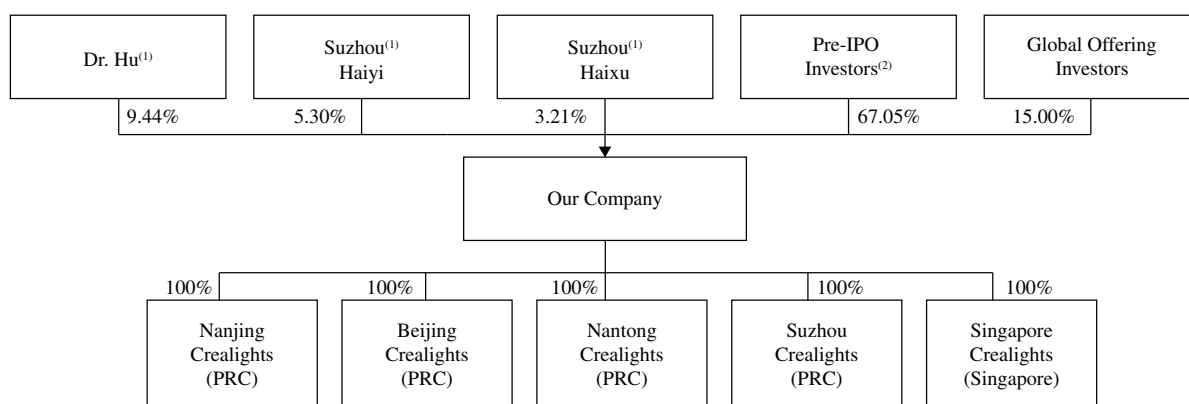


HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (1) Suzhou Haiyi and Suzhou Haixu are employee incentive platforms of our Group with Dr. Hu being their general partner. For details, see “— Employee Incentive Platforms” in this section. As of the Latest Practicable Date, Dr. Hu, Suzhou Haiyi and Suzhou Haixu were collectively interested in 21.11% of the total issued Shares of our Company. Immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme, they will be collectively interested in 17.95% of the total issued Shares of our Company and will remain the single largest group of Shareholders.
- (2) For details on the other investors, see “Summary of Pre-IPO Investments”, “Capitalization of our Company” and “Information about our Pre-IPO Investors” in this section.

Corporate Structure Immediately Following Completion of the Global Offering

The following chart illustrates the shareholding structure and simplified corporate structure of our Group immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme):



(1)–(2) Please see the details contained in the preceding pages.

INDUSTRY OVERVIEW

The information contained in this section, unless otherwise indicated, has been derived from various official government publications and other publications and the market research report prepared by Frost & Sullivan which we commissioned (the “F&S Report”). We engaged Frost & Sullivan for preparing the F&S Report in respect of the Global Offering. We have not, nor have any of the Sole Sponsor, Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of the Underwriter, or any of their respective directors, officers or representatives or any other parties involved in the Global Offering, independently verified the information in the various official government publications nor give any representation as to the accuracy.

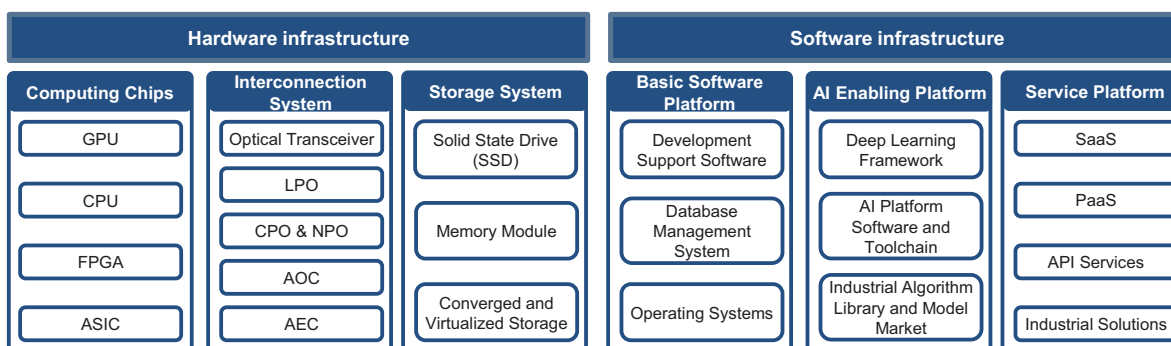
MACRO BACKGROUND OF OPTOELECTRONIC INTERCONNECTION MARKET DEVELOPMENT IN THE AI ERA

AI Industry Development Driving the Evolution of Communication Networks

In recent years, the rapid development of the artificial intelligence (AI) industry has imposed higher demands on communication networks, profoundly driving innovation and application in optoelectronic interconnection technologies.

AI's infrastructure comprises two major components: hardware and software. On one hand, computing, storage, and networking hardware infrastructure collectively form the hardware foundation that supports the widespread application of new-generation artificial intelligence. On the other hand, diverse machine learning frameworks, algorithms, and related tool software, PaaS platforms, and services together constitute the software-based infrastructure that enables the development and continuous innovation of AI applications.

AI's Infrastructure



Source: Frost & Sullivan

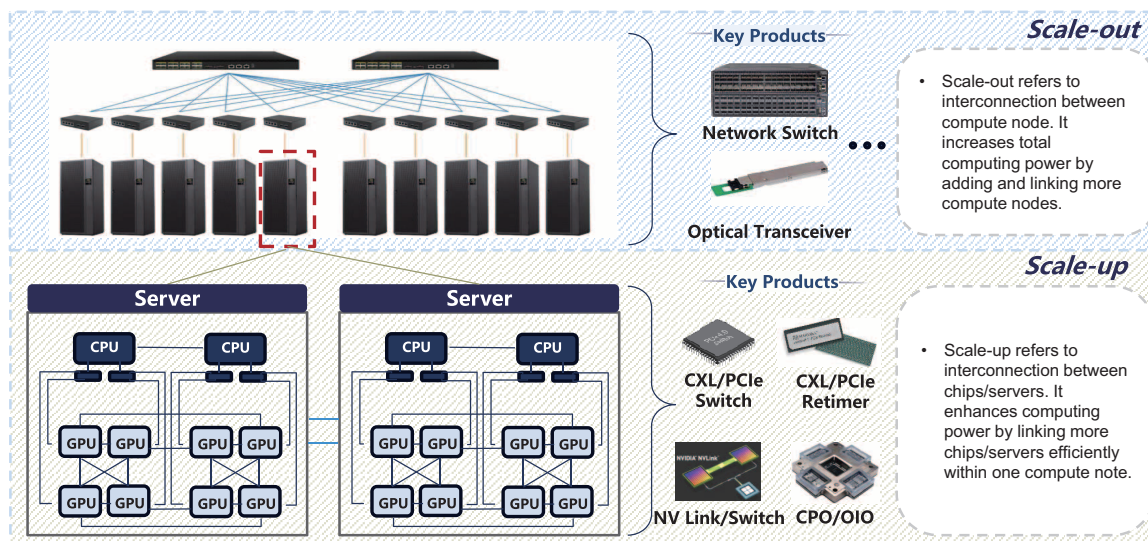
At the computing power level, the explosive growth in demand for AI large model training and inference is driving computing clusters to scale from thousands of cards to tens of thousands of cards, promoting the construction of ultra-large-scale intelligent computing centers and forming a cross-regional, multi-center computing system.

In terms of data center network architecture, AI workloads are driving traditional networks to evolve towards smarter and more efficient directions, requiring simultaneous improvements in both scale-out and scale-up capabilities. Scale-out relies on high-bandwidth, lossless interconnection between computing nodes, while scale-up focuses on ultra-fast data interaction at the chip and server levels. This shift has given rise to new data center networks with dynamic perception and flexible resource

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scheduling capabilities. Benefiting from their advantages in high-density, low-power interconnections, optoelectronic interconnection technologies have become the core foundation for achieving high-speed connections within data centers and between data centers, thereby strongly supporting the collaboration and global scheduling of distributed computing resources driven by AI.

High-Speed Interconnection Network Architecture Diagram



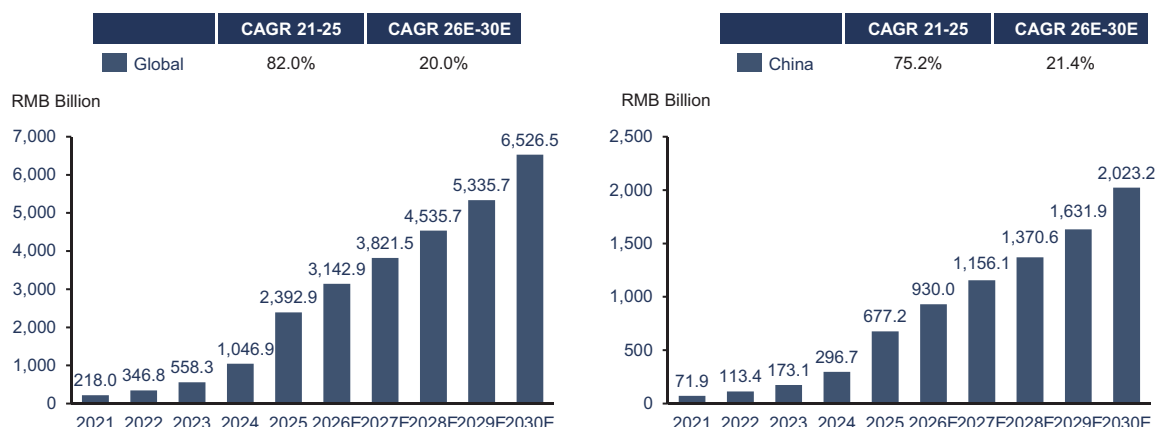
Source: Frost & Sullivan

Amid the global race for supremacy in AI industry, computing power has emerged as a core metric for assessing a nation's AI competitiveness. China is steadily enhancing its global standing in this field through the continuous scaling-up of its AI computing capacity. In 2025, the scale of AI computing power in China was 741.3 EFLOPs, and it is expected to increase to 3,633.4 EFLOPs in 2030, representing a CAGR of 35.1% from 2026 to 2030.

Driven by massive investments from tech giants and the widespread industrialization of AI applications, global investment in AI infrastructure increased rapidly from 2021 to 2025, and this growth is projected to continue due to the structural shift in computing demand towards inference and the expansion of cloud-based AI services. In 2025, global investment in AI infrastructure increased from RMB218.0 billion in 2021 to RMB2,392.9 billion in 2025, representing a CAGR of 82.0%. It's projected that the investment amount will further grow to RMB6,526.5 billion by 2030, with a CAGR of 20.0% from 2026 to 2030. In 2025, China's investment in AI infrastructure increased from RMB71.9 billion in 2021 to RMB677.2 billion in 2025, representing a CAGR of 75.2%. It's projected that the investment amount will further grow to RMB2,023.2 billion by 2030, with a CAGR of 21.4% from 2026 to 2030.

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AI Infrastructure Investment, Global and China, 2021-2030E



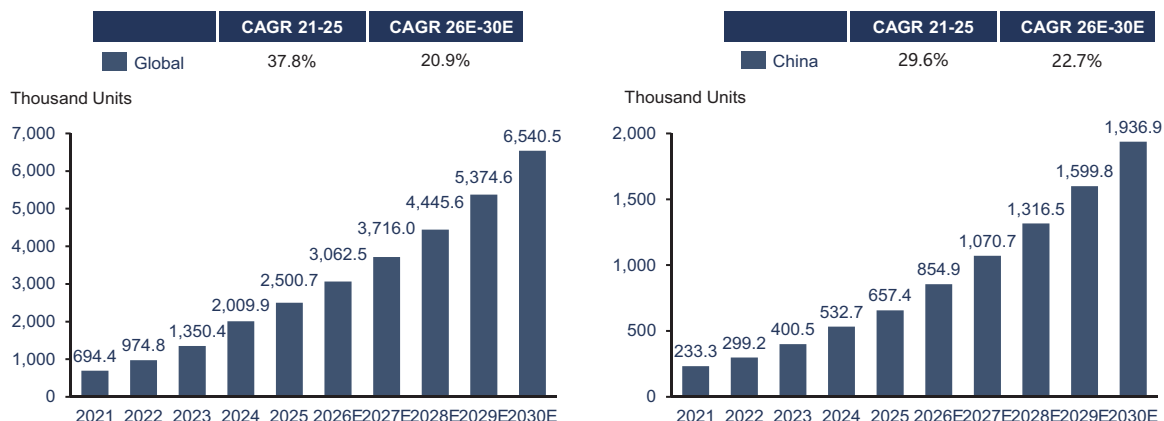
Source: Frost & Sullivan

Market Size of Global and China's AI Server

The need for large model training and inference primarily drives the growth in AI server demand. To facilitate massive data interactions inherent in multi-chip cluster architectures, high-bandwidth, low-latency interconnection technologies are essential. This dependency directly stimulates market demand for various interconnect chips, including those adhering to PCIe/CXL standards, as well as Ethernet and optoelectronic interconnect solutions (such as AOC, AEC). Concurrently, this trend is accelerating the necessity for system main memory characterized by both greater capacity and enhanced bandwidth.

In 2025, global shipments of AI servers increased from 694.4 thousand units in 2021 to 2,500.7 thousand units in 2025, representing a CAGR of 37.8%. It's projected that shipments will further grow to 6,540.5 thousand units by 2030, with a CAGR of 20.9% from 2026 to 2030. In 2025, China's shipments of AI servers increased from 233.3 thousand units in 2021 to 657.4 thousand units in 2025, representing a CAGR of 29.6%. It's projected that shipments will further grow to 1,936.9 thousand units by 2030, with a CAGR of 22.7% from 2026 to 2030.

Shipments of AI Server, Global and China, 2021-2030E



Source: Frost & Sullivan

INDUSTRY OVERVIEW

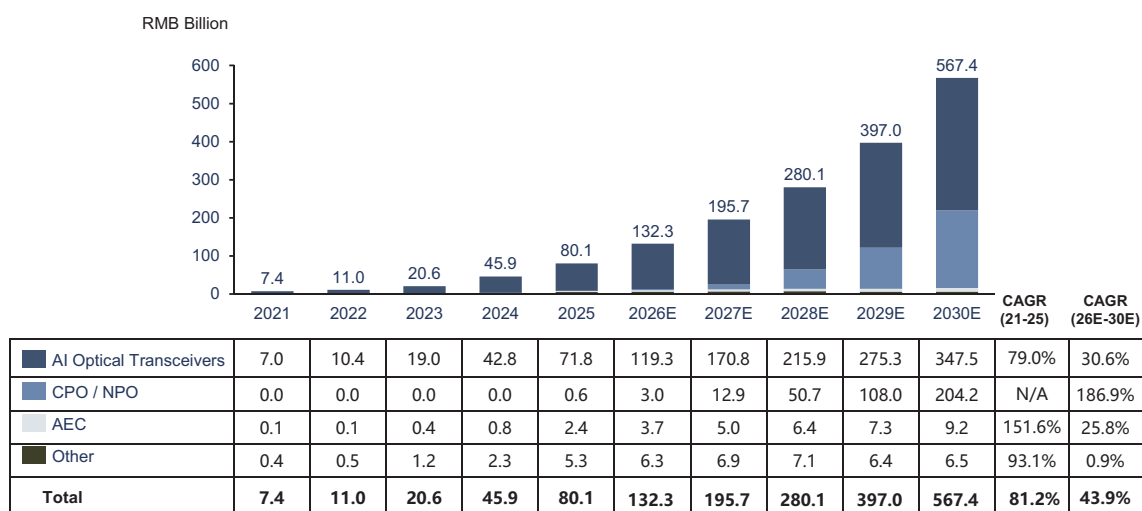
Market Size of Global Optoelectronic Interconnection

By product type, optoelectronic interconnect products mainly include pluggable AI optical transceivers, Co-Packaged Optics/Near-Packaged Optics (CPO/NPO), and Active Electrical Cables (AEC), and others. A pluggable optical transceiver connects to a server, GPU, or other device at one end to receive electrical signals, and connects to an optical fibre at the other end, enabling bidirectional conversion between electrical and optical signals, thereby completing data transmission between devices. Co-Packaged Optics (CPO) and Near-Packaged Optics (NPO) highly integrate the optical engine with the switch chip or AI accelerator chip. By shortening the electrical interconnect path, they systematically achieve the highest bandwidth density and lowest transmission power consumption, making them core solutions for building the next generation of ultra-large-scale computing clusters. Active Electrical Cables (AEC) integrate chips at both ends of the copper cable, effectively improving signal transmission quality. While maintaining advantages of low cost and low power consumption, they achieve better transmission performance than passive copper cables. They have become a key solution for short-distance connections within AI data centers.

Driven by the explosive growth in AI computing demand and the large-scale deployment of data centers, the sales value of optoelectronic interconnection increased rapidly from 2021 to 2025. In the future, this trend is expected to continue growing because of continuous technological advancements towards 1.6T/3.2T and the commercial adoption of emerging CPO/NPO solutions.

In 2025, global optoelectronic interconnect sales increased from RMB7.4 billion in 2021 to RMB80.1 billion, with a CAGR of 81.2%. Sales are expected to further increase to RMB567.4 billion by 2030, with a CAGR of 43.9% from 2026 to 2030.

Sales Value of Optoelectronic Interconnection (by Product Type), Global, 2021-2030E



Source: Frost & Sullivan

ANALYSIS OF GLOBAL AND CHINA'S AI OPTICAL TRANSCEIVER MARKET

Overview of AI Optical Transceiver Market

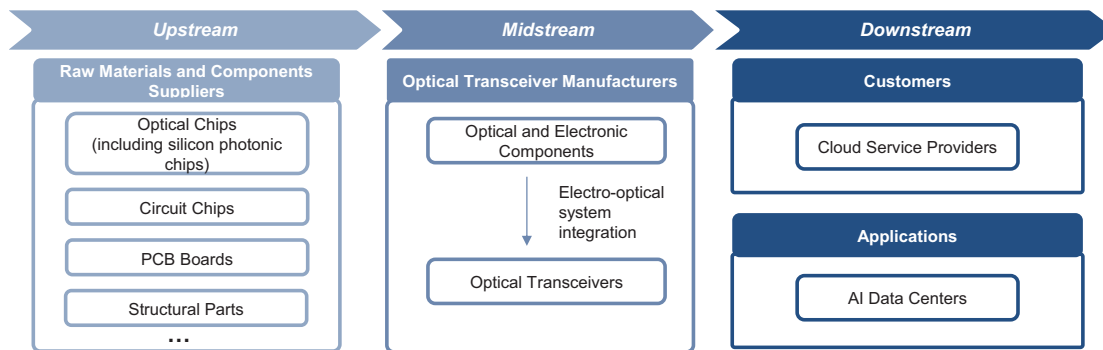
AI optical transceivers refer to optical transceivers used to meet the ultra-high bandwidth and low latency requirements of AI computing clusters. These products are typically deployed in AI data centers to solve the bottleneck of massive data exchange.

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In terms of transmission rate, due to the high requirements of AI computing clusters for data throughput and transmission capacity, AI optical transceivers are mainly those above 100G, including 100G, 200G, 400G, 800G, 1.6T, and 3.2T. Furthermore, segmented by technology route, AI optical transceivers can be broadly divided into silicon photonics optical transceivers, which have significant cost and power consumption advantages in ultra-high-speed scenarios, and non-silicon photonics optical transceivers.

The optical transceiver industry chain covers three major links: The upstream is centered on material and component supply, including core components such as optical chips (including silicon photonic chips), integrated circuit chips, PCBs, and structural parts etc. The midstream is engaged in the integration and manufacturing of optical transceivers, achieving efficient data transmission functions through the integration of optoelectronic components. Downstream customers are primarily cloud service providers, who purchase AI optical transceivers for application in AI data centers.

Industry Value Chain of Optical Transceiver



Source: Frost & Sullivan

The market classification of AI optical transceivers is based on demand-side segmentation driven by end-use application. Specifically, AI optical transceivers are deployed in AI computing clusters and AI data centers. This represents a recognized industry classification due to: (1) Performance divergence in product requirements across application scenarios. Optical transceivers for AI data centers must meet ultra-high bandwidth, ultra-low latency, and high-density transmission requirements to support massive parallel data exchange and intensive computing workloads. While, conventional applications such as general-purpose data centers and telecom networks prioritize more on stability, long-distance transmission, and cost efficiency, with less stringent demands on peak bandwidth and latency performance. (2) Clear and growing market demand. Global cloud service providers procure optical transceivers specifically deployed for AI data centers, which has evolved into a distinct and high-growth segment of the broader optical transceiver market. In 2025, AI optical transceivers account for 44% of the total optical transceiver market, reflecting their rising importance in the industry landscape.

Market Size of Global AI Optical Transceivers Market

Driven by the rapid development of large language model training, inference, and commercial application, global cloud service providers and large internet companies have invested heavily in building AI data centers. As the key “data arteries” enabling high-speed interconnection within data centers, the demand for AI optical transceivers has surged accordingly. The global AI optical transceiver market grew from RMB7.0 billion in 2021 to RMB71.8 billion in 2025, with a CAGR of 79.0%. Looking ahead, the global AI optical transceiver market is expected to further expand, driven by the

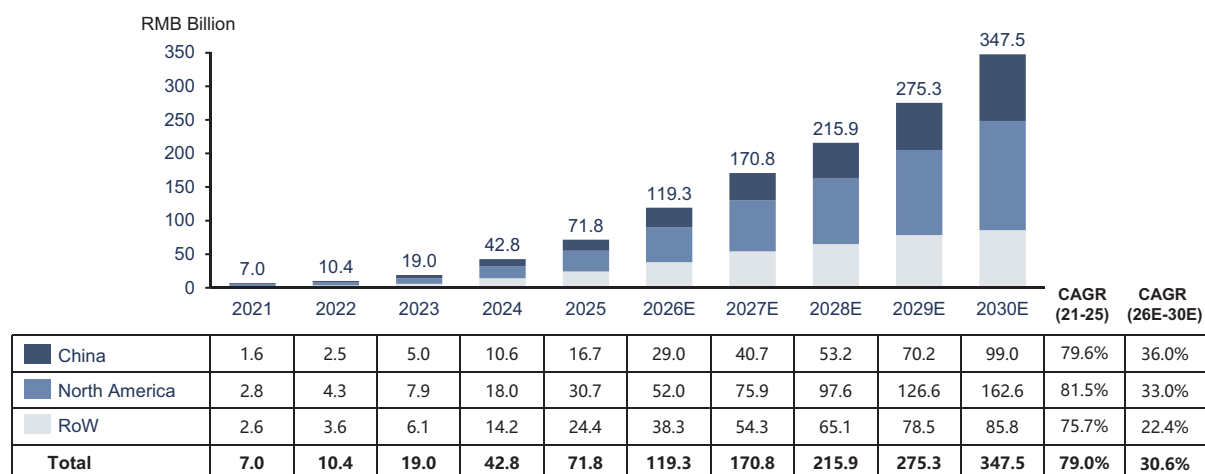
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continuous iteration of next-generation high-speed products (such as 1.6T and 3.2T) and the gradual commercial penetration of new low-power architectures. It is projected that by 2030, the global AI optical transceiver market will reach RMB347.5 billion, representing a CAGR of 30.6% from 2026 to 2030.

North America is currently the largest regional market for optical transceivers globally, accounting for 43% of the global market share in 2025. The leading position of this region is mainly attributed to the continuous investment by tech giants such as Amazon and Google in hyperscale data centers, as well as the exponential growth in bandwidth demand triggered by the generative AI boom. These factors collectively drive long-term strong demand for higher-speed optical transceivers, consolidating North America's leading position.

China is the fastest-growing optical transceiver market globally, with a CAGR of 79.6% from 2021 to 2025, and is expected to maintain a high CAGR of 36.0% from 2026 to 2030, continuing to be the fastest-growing market globally. This growth momentum stems from localized initiatives such as the national “East Data West Computing” project and the increasing investments in AI infrastructure by major Chinese hyper-scale cloud providers, which are continuously driving large-scale data center construction, especially AI data centers, thereby stimulating sustained demand for AI optical transceivers.

Sales Value of AI Optical Transceivers (by Region), Global, 2021-2030E



Source: Frost & Sullivan

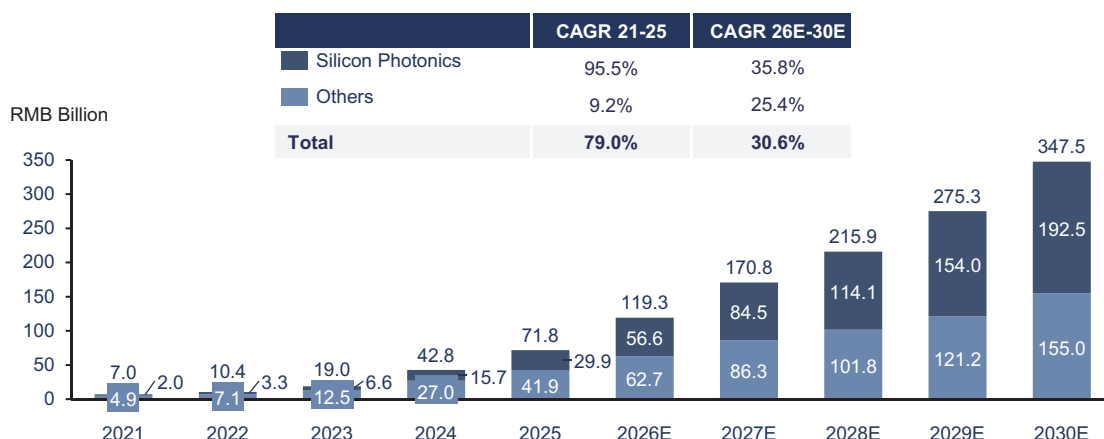
From a technology perspective, silicon photonics is a technology system based on silicon semiconductor materials, utilizing CMOS-compatible processes (aligned with traditional chip manufacturing) to integrate functions such as optical signal generation, transmission, modulation, and detection onto a single silicon chip. Its core value lies in overcoming the limitations of traditional discrete optoelectronic devices (such as high cost, low integration, and high power consumption) by leveraging the cost-effectiveness of silicon and mature semiconductor manufacturing processes. This enables the miniaturization and mass production of optoelectronic components while achieving high speed and low power consumption, making silicon photonics a key bridge connecting “optical communication” and “semiconductor” technologies.

Driven by the dual forces of surging demand for high-speed and high-bandwidth driven by AI computing power growth, and the continuous maturation and improvement of silicon photonics technology, the market for AI optical transceivers utilizing silicon photonics technology has

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experienced explosive development in recent years, growing from RMB2.0 billion in 2021 to approximately RMB29.9 billion in 2025, achieving a CAGR of approximately 95.5%. Looking ahead, the market for AI optical transceivers utilizing silicon photonics technology is expected to further expand, with projected sales revenue reaching RMB192.5 billion in 2030, representing a CAGR of 35.8% from 2026 to 2030.

Sales Value of AI Optical Transceivers (by Technology), Global, 2021-2030E



Source: Frost & Sullivan

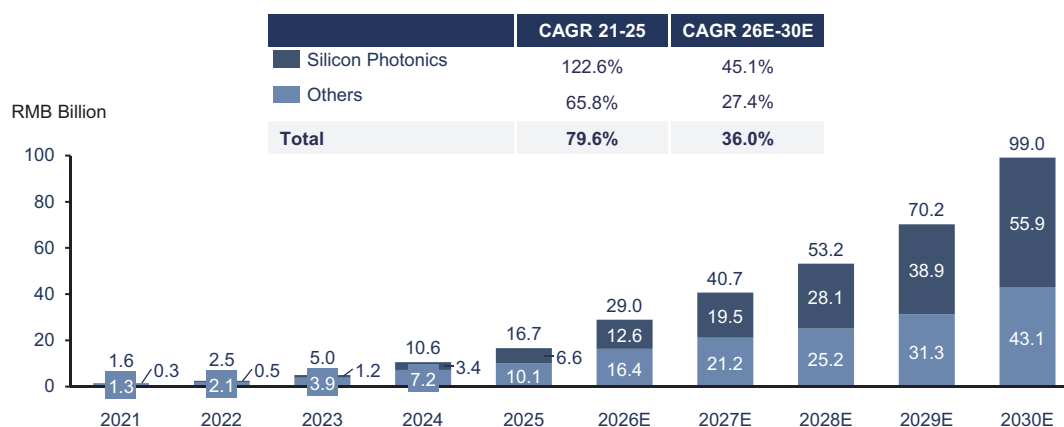
Market Size of China's AI Optical Transceivers

Benefiting from the rigid demand for high-speed interconnection brought by the surge in AI and computing power demand, and the national “East Data West Computing” project promoting the integrated layout of national large data centers, China's AI optical transceiver market size has grown from RMB1.6 billion in 2021 to RMB16.7 billion in 2025, with a CAGR of 79.6%. During the forecast period, this market is expected to further increase to RMB99.0 billion by 2030, with a CAGR of 36.0% from 2026 to 2030.

In terms of technology, similar to the global trend, driven by the explosive growth of AI computing demand, accelerated data center upgrades, and major progress in domestic silicon photonics technology, China's AI silicon photonics optical transceiver market experienced rapid growth, rising from RMB0.3 billion in 2021 to RMB6.6 billion in 2025. Looking ahead, with the commercialization of next-generation products such as 1.6T optical transceivers and continuous policy support for the semiconductor and photonics industries domestically, this market is expected to continue its explosive growth to RMB55.9 billion by 2030, with a CAGR of 45.1% from 2026 to 2030.

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Sales Value of AI Optical Transceivers (by Technology), China, 2021-2030E



Source: Frost & Sullivan

Drivers of Global and China's Optical Transceiver Market

1) The explosive growth in AI computing demand

Artificial intelligence, particularly generative AI and large model training, has created unprecedented requirements for data transfer rates and bandwidth within data centers. Traditional computing clusters cannot meet the massive data exchange generated by co-work across tens of thousands of GPUs, directly driving iteration and volume expansion of optical transceivers used for high-speed interconnection. 800G optical transceivers have become the mainstream choice for current AI training clusters, while higher-rate products such as 1.6T are already in the pre-commercialization stage. It is expected that as AI model parameter scales continue to expand and application scenarios deepen, demand for high-speed, low-power optical transceivers will maintain strong long-term growth, becoming the most core engine of the market.

2) Global data center upgrades and cloud service expansion

Digital transformation worldwide is driving the continuous construction of hyperscale data centers and upgrades to existing data center network architectures, evolving from 100G/400G to 800G and above. The proliferation of cloud computing, edge computing, and applications like streaming media and IoT has led to sustained rapid growth in global data traffic, imposing higher bandwidth requirements for connections within data centers and between them. This trend not only directly increases the volume of optical transceivers used but also pushes technological development towards lower power consumption and higher density (e.g. silicon photonics, CPO). In China, driven by national projects like "East Data West Computing," the pace of data center construction is accelerating, providing a broad and sustained domestic market for optical transceivers.

3) Strategic national policy support for digital infrastructure

Governments worldwide are recognizing computing infrastructure and broadband networks as strategic assets and implementing policies to support their development. Initiatives such as China's "East Data West Computing" project and the EU's "2030 Digital Compass" aim to enhance high-performance computing and data center capabilities while building high-speed, comprehensive network foundations. These policies not only directly stimulate data center construction and high-speed optical communication demand but also provide strong policy and ecosystem support.

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4) *Optical Transceiver Technology Iteration and Commercialization Breakthroughs*

In recent years, significant breakthroughs in materials, packaging, and integration technologies for optical transceiver have effectively supported the simultaneous achievement of high speed, low power consumption, and cost reduction. Advanced solutions represented by silicon photonics have gradually matured and entered the phase of large-scale commercialization, demonstrating excellent performance and integration advantages in high-speed scenarios such as 800G/1.6T. Meanwhile, new architectures such as CPO and NPO have made substantial progress in reducing system power consumption and latency, providing key technical support for next-generation data centers and AI clusters. The continuous innovation and commercialization of these technologies are constantly expanding the performance boundaries of optical transceivers, promoting their widespread adoption in high-speed data communications, and thereby becoming an important technical driver for market development.

Development Trends of Global and China's Optical Transceiver Market

1) *Increasing Demand for High-speed Optical Transceivers*

The rapid expansion of cloud computing and AI applications is driving unprecedented growth in global data center infrastructure, intensifying the need for higher bandwidth and lower-latency communication solutions. High-speed optical transceivers, such as 400G, 800G, and the emerging 1.6T variants, have become critical enablers for data center internal connectivity and inter-facility links. These components not only support compute-intensive workloads like AI training and large-scale simulation but also ensure seamless data transmission across cloud, edge, and endpoint layers. Additionally, the technology lifecycle is accelerating markedly: the industry transitioned from 100G to 800G in just a few years, and 1.6T transceivers are poised for widespread commercial deployment. This condensed development cycle is compelling leading suppliers to continuously innovate to keep pace with market expectations and evolving architectural demands.

2) *Evolving towards Highly Integrated and Low Power Consumption Solution*

As data rates advance beyond 800G towards 1.6T and higher, traditional pluggable transceivers face growing challenges in power consumption and front-panel density. This physical limitation is driving the industry's transition towards more integrated solutions. Co-packaged optics (CPO) and near-packaged optics (NPO) represent a fundamental architectural shift by moving the optical engine closer to, or directly onto the switch ASIC. This integration drastically reduces power consumption by minimizing electrical trace losses and enables a radical increase in port density, thereby addressing the critical bottlenecks in next-generation AI clusters and hyperscale data centers.

3) *Continuous Penetration of Silicon Photonics Technology*

Silicon photonics, leveraging the unique advantages of mature CMOS processes, demonstrates significant potential in integration, power consumption, and cost efficiency, establishing itself as a critical pathway to meet the demands of high-speed, high-density data centers. With the gradual ramp-up of 800G/1.6T optical transceivers, silicon photonics solutions are increasingly being deployed in AI clusters and hyperscale data centers, emerging as a key force driving technological iteration and reshaping the competitive landscape.

4) *Strengthening of Vertically Integration Capabilities*

To enhance supply chain resilience and technological autonomy, leading optical transceiver manufacturers in China are actively strengthening vertical integration. By expanding upstream into core optical components and downstream into optical network terminal equipment, these firms are building comprehensive capabilities that span the entire industry chain. This integrated approach not only

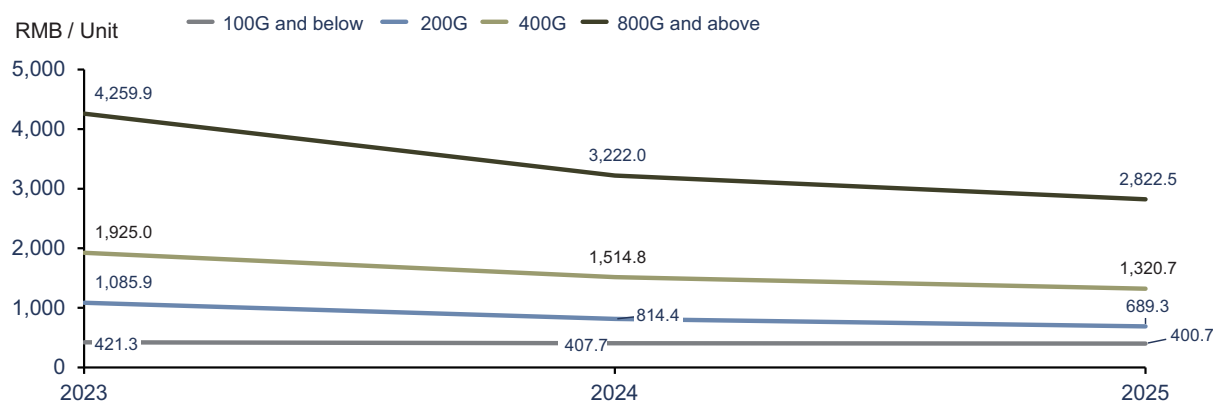
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improves design compatibility and accelerates time-to-market but also allows for more flexible responses to customized customer needs. As a result, companies with full-chain expertise are better positioned to drive product innovation and sustain long-term competitiveness in a rapidly evolving marketplace.

Average Price Analysis of AI Optical Transceiver

The average price of AI optical transceivers varies significantly by transmission speed. In general, higher-speed products command a higher unit price, reflecting the more advanced components, stricter performance requirements, and greater technical complexity involved. However, the unit price of AI optical transceivers within each speed tier has shown a consistent downward trend. This is primarily driven by multiple factors including ongoing technological maturation and yield improvements, continuous industry capacity expansion, intensifying market competition, and declining manufacturing costs brought by large-scale production. See “Business — Our Products” for details of the average selling price for the Company’s products.

Average Price of AI Optical Transceivers (by Transmission Speed), Global, 2023-2025



Source: Frost & Sullivan

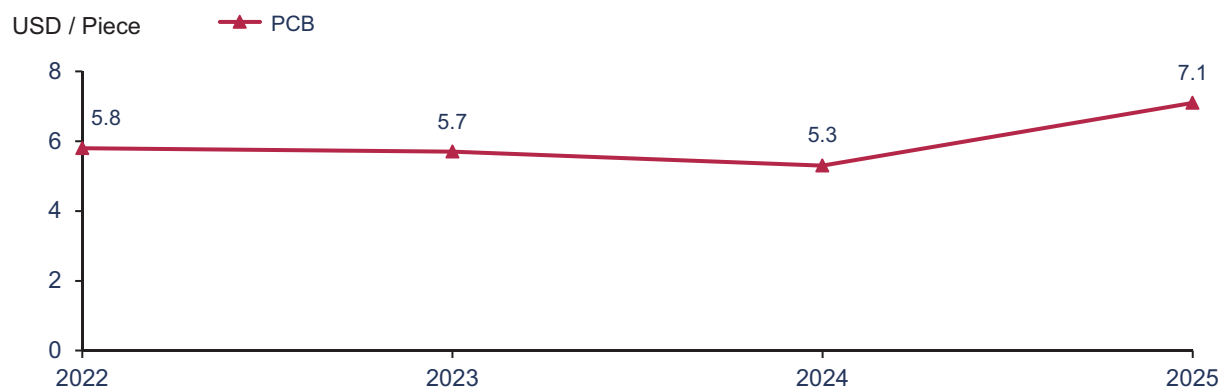
Analysis of Key Raw Material of AI Optical Transceiver

Optical chips serve as a key component in optical transceivers. To address the increasing need for higher transmission speeds in AI data center, optical chips are advancing toward higher data rates and increased power output, which makes the overall price of optical chips rising in recent years. There are considerable price variations across optical chips with different speeds. The prices of optical chips used in low-speed optical transceivers have gradually decreased with growing production volumes, improving manufacturing processes, and Chinese manufacturers continuously strengthening their production capabilities. However, the optical chips used in high-speed optical transceivers have faced supply shortages in recent years due to strong market demand for high-speed optical transceivers, driving their average prices into an upward trend.

Printed circuit boards (PCBs) represent another critical raw material in optical transceivers, primarily functioning as the platform for circuit integration and component interconnection. PCB prices have remained steady in recent years, supported by mature production techniques and a stable supply chain. In 2025, driven by rising copper prices and stronger downstream demand from data centers and AI-related applications, the prices of PCBs used in optical transceivers increased noticeably. Looking ahead to 2026, PCB prices are expected to maintain a relatively fast growth trend, as demand for high-speed and high-performance PCB materials continues to rise.

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Average Price of PCB, Global, 2022-2025



Note: The above price refers to the price of PCB used for 400G optical transceivers.

Competitive Landscape of AI Optical Transceiver Market

Overall speaking, participants in the AI optical transceiver industry fall into two categories: third-party optical transceiver suppliers and in-house optical transceiver manufacturers. Third-party players refer to companies that primarily develop and produce AI optical transceivers for external sales rather than internal consumption. In contrast, in-house manufacturers focus on producing such transceivers mainly for in-house use.

The global AI optical transceiver industry has a total market size of RMB71.8 billion in 2025. Our Company achieved an AI optical transceivers revenue of RMB1.1 billion in 2025, ranking eighth among Chinese AI optical transceiver suppliers and representing a global market share of 1.6%.

Ranking of Chinese AI Optical Transceiver Suppliers (by Revenue), Global, 2025

Rank	Company Name	2025 Sales (RMB Billion)	Market Share
1	Company A	29.2	40.7%
2	Company B	15.8	22.4%
3	Company C	4.7	6.6%
4	Company D	4.3	6.0%
5	Company E	3.3	4.5%
6	Company F	2.7	3.7%
7	Company G	1.7	2.3%
8	The Company	1.1	1.6%
	Others	8.7	12.1%
	Total	71.8	100.0%

Notes:

Company A is a company listed on the Shenzhen Stock Exchange and established in 2005, with a business focus on the development and manufacturing of optical transceivers.

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Company B is a company listed on the Shenzhen Stock Exchange and established in 2008, which is a manufacturer of optical transceivers.

Company C is a company listed on the Shenzhen Stock Exchange and established in 2001, which is a developer and manufacturer of optoelectronic components and modules, including optical transceivers.

Company D is a subsidiary of a global information and communications technology company and founded in 2004, focusing on the design and development of semiconductor products including optical communication chips and optical transceivers.

Company E is a private company founded in 2003, specializing in the development and manufacturing of optical transceivers, optical chips, and optical network terminals. Company E is a subsidiary of a diversified business group focusing on smart home appliances and technology industries.

Company F is a private company established in 2001, which is a developer and manufacturer of optical transceivers. Company F is a subsidiary of a company listed on the Shenzhen Stock Exchange.

Company G, established in 2001, is a subsidiary of a company listed on the Shenzhen Stock Exchange. It engaged in the manufacturing of fibre optic communication products and related equipment.

Source: Company Reports, Frost & Sullivan

Our Company ranked seventeenth among global optical transceiver suppliers in 2025. It achieved a revenue of RMB1.2 billion in 2025, representing a global market share of 0.8%.

Ranking of Optical Transceivers Suppliers (by Revenue), Global, 2025

Rank	Company Name	2025 Sales (RMB Billion)	Market Share
1	Company A	37.5	23.1%
2	Company B	24.8	15.3%
3	Company H	20.5	12.7%
4	Company C	10.5	6.5%
5	Company D	9.6	5.9%
6	Company I	9.2	5.7%
7	Company E	6.5	4.0%
8	Company F	6.1	3.8%
9	Company G	4.8	2.9%
10	Company J	4.2	2.6%
11	Company K	3.4	2.1%
12	Company L	3.3	2.0%
13	Company M	3.2	2.0%
14	Company N	1.7	1.0%
15	Company O	1.3	0.8%
16	Company P	1.2	0.8%
17	The Company	1.2	0.8%
	Others	12.9	8.0%
	Total	161.8	100.0%

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Notes:

Company H is a company listed on the New York Stock Exchange and established in 1966, which is a vertically integrated manufacturing company that develops, manufactures, and markets lasers, transceivers, and other optical and optoelectronic devices, modules, and systems, as well as engineered materials, for use in the communications, industrial, instrumentation and electronics markets.

Company I is a company listed on the NASDAQ and established in 1984, which designs and manufactures networking equipment and optical transceivers.

Company J is a NASDAQ-listed company formed in 1995, and is engaged in the development of high-speed optical semiconductor solutions.

Company K is a company listed on the NYSE and founded in 1966, providing electronic manufacturing services including the production of optical transceivers and related components.

Company L is a supplier of optical and photonic products founded in 2015 and listed on NASDAQ stock exchange.

Company M is a subsidiary of a company listed on the NASDAQ Stock Market and founded in 1999, specializing in high-speed interconnect solutions.

Company N is a supplier of ICT terminal equipment and high-speed optical transceivers founded in 2006 and listed on the Shanghai Stock Exchange.

Company O is a company founded in 1997 and listed on the NASDAQ stock exchange in the United States, which provides fibre optic access network solutions.

Company P is a company listed on the Shenzhen Stock Exchange and established in 2011, specializing in development and manufacturing of optical transceivers.

Source: Company Reports, Frost & Sullivan

By revenue from the PRC, our Company ranked seventh among global optical transceiver suppliers in 2025. It achieved a revenue of RMB1.1 billion from the PRC in 2025, representing a Chinese market share of 2.6%.

Ranking of Optical Transceivers Suppliers (by Revenue), the PRC, 2025

Rank	Company Name	2025 Sales (RMB Billion)	Market Share
1	Company D	9.6	22.3%
2	Company C	8.7	20.4%
3	Company F	5.4	12.7%
4	Company E	4.4	10.1%
5	Company A	3.6	8.4%
6	Company G	1.4	3.3%
7	The Company	1.1	2.6%
	Others	9.7	22.7%
	Total	42.9	100.0%

Entry Barriers of Global and China's Optical Transceivers Market

1) *Technological Research and Development Barrier*

The optical transceiver market is characterized by exceptionally high technical entry barriers across advanced domains such as silicon photonics, low-power high-speed optical communication, and high-density integration. These areas demand interdisciplinary expertise spanning materials science, optoelectronic integration, advanced packaging, and microelectronics. Companies that pioneer next-generation products often secure significant first-mover advantages, necessitating sustained R&D commitment and the ability to keep pace with rapid technological evolution.

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2) *Customer Barrier*

The optical transceiver industry is defined by high customer barriers, with primary clients comprising large cloud service providers, telecom operators, and equipment manufacturers. These customers maintain high standards in product performance, reliability, delivery timelines, and technical support services. Given the strategic importance and scale of procurement, the supplier selection process is highly rigorous, often involving multiple years of verification testing, pilot deployments, and relationship cultivation before large-scale orders are finalized. Notably, the Joint Design Manufacturing (JDM) model further elevates this barrier by deeply embedding suppliers into customers' R&D and lifecycle management processes, creating unparalleled integration and dependency. This results in strong customer stickiness and substantial switching costs, creating a significant barrier to entry for new market players.

3) *Supply Chain Barrier*

The core upstream resources in the optical transceiver supply chain exhibit strong monopolistic characteristics, and not all enterprises can easily have access to them. Key optoelectronic chips such as high-frequency semiconductor lasers and high-performance photodetectors have long been dominated by a few leading international manufacturers, making it difficult for new entrants to establish stable and cost-competitive supply relationships. Raw materials such as high-end optical fibres require both strong production capacity and technical certification from suppliers, resulting in extremely high entry barriers. In addition, the priority allocation rights for upstream resources are often deeply tied to an enterprise's technical capabilities, order scale, and industry credibility, making it even harder for small and medium-sized enterprises to break through this resource monopoly pattern.

4) *Product Comprehensiveness Barrier*

The optical transceiver market exhibits significant barriers related to product comprehensiveness, where leading competitors leverage vertically integrated portfolios spanning from optical chips and transceivers to advanced optical network terminals. This full-stack capability allows them to offer end-to-end solutions, realize technical and resource synergies, and enhance supply chain resilience while accelerating product iteration and optimizing cost structures. Such integrated offerings, which are difficult to replicate in the short term, help secure long-term customer relationships through one-stop solutions.

5) *Globalization Barrier*

The optical transceiver industry operates within a globalized market landscape, requiring participants to establish international footprints in R&D, manufacturing, and sales operations. Leading players maintain competitive advantages through localized service capabilities and worldwide logistics networks that enable rapid response to diverse regional demands. Building such global infrastructure demands not only substantial capital investment but also mature management systems, operational expertise, and long-term customer partnerships—resources that cannot be rapidly replicated.

SOURCE OF INFORMATION AND RESEARCH METHODOLOGY

We engaged Frost & Sullivan for preparing an independent industry report in respect of the global and China's optoelectronic interconnection, silicon photonics, optical transceiver market. The information from Frost & Sullivan disclosed in this prospectus is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of RMB500,000, and is disclosed with the consent of Frost & Sullivan. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York. Its services include, among others, industry consulting,

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market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing government statistics, industry association publication, company reports, independent research reports and data based on its own research database.

If the track record period extends beyond the period of industry data disclosed and there is no subsequent data in support, a directors' confirmation that there has been no adverse change in the market information since the date of the commissioned research report that may qualify, contradict or impact the information disclosed.

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PRC LAWS AND REGULATIONS

Our business operations are governed by a comprehensive framework of laws, rules, and regulations of the People's Republic of China (the “PRC”). The principal legislative enactments relevant to our activities are summarized below.

REGULATIONS RELATED TO THE GROUP'S PRODUCTS

Industry Regulations and Government Policies Related to Our Products

Pursuant to the “Telecommunications Regulations of the PRC” (《中華人民共和國電信條例》), issued by the State Council of PRC on September 25, 2000, and revised on February 6, 2016, with effect from the same date, the State implements a network access licensing system for telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment. Telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment accessing a public telecommunications network must comply with State-stipulated standards and obtain a network access permit. Telecommunications equipment manufacturing enterprises must guarantee the quality and reliability of telecommunications equipment that has obtained a network access permit and must not degrade product quality or performance. Selling telecommunications terminal equipment without a network access permit shall result in the relevant provincial, autonomous regional, or municipal telecommunications administration authorities ordering corrections and imposing a fine ranging from RMB10,000 to RMB100,000.

The “Measures for the Administration of Telecommunications Equipment Network Access” (《電信設備進網管理辦法》), initially issued by the Ministry of Information Industry (abolished) on May 10, 2001, and subsequently revised by the MIIT on January 18, 2024, effective the same day, require that telecommunications equipment manufacturers (hereinafter referred to as “**manufacturers**”) comply with national laws, regulations, and policy requirements when applying for telecommunications equipment network access licenses. Telecommunications equipment applying for network access licenses must meet national standards, communication industry standards, and the requirements of the MIIT. Entities that forge, fraudulently use, or transfer network access licenses, or fabricate network access license numbers, shall have their illegal earnings confiscated by the MIIT or the relevant provincial communications administrations and shall be fined not less than three times but not more than five times the illegal earnings. If there are no illegal earnings or the illegal earnings are less than RMB10,000, a fine of not less than RMB10,000 but not more than RMB100,000 shall be imposed.

The “Regulations on Radio Administration of the People's Republic of China”(《中華人民共和國無線電管理條例》) were jointly promulgated by the State Council and the Central Military Commission of the PRC on September 11, 1993, subsequently revised on November 11, 2016, and came into effect on December 1, 2016. The national radio regulatory authority is responsible for administering radio operations throughout the country. The production or importation of radio transmission equipment for domestic sale and use must comply with laws and regulations concerning product quality, national standards, and state provisions governing radio administration. With the exception of micro-power short-range radio transmission equipment, any entity producing or importing other types of radio transmission equipment for domestic sale and use must apply to the national radio regulatory authority for type approval. Any entity that, in violation of these provisions, produces or imports radio transmission equipment for sale or use within China without having obtained type approval shall be ordered by the radio regulatory authority to rectify the situation and may be subject to a fine ranging from not less than RMB50,000 to not more than RMB200,000. If the entity fails to make corrections, the non-compliant radio transmission equipment shall be confiscated, and a fine of not less than RMB200,000 but not more than RMB1,000,000 shall be imposed.

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The “Regulations on the Management of Radio Transmitting Equipment” (《無線電發射設備管理規定》), published by the Ministry of Industry and Information Technology (the “MIIT”) of PRC on December 22, 2022, and effective from July 1, 2023, stipulate that the development, production, import, sale, and maintenance of radio transmission equipment within the territory of the PRC shall comply with these regulations. The production or importation of radio transmission equipment, other than micro-power short-range radio transmission equipment, for sale and use in China requires an application to the national radio management agency for radio transmission equipment type approval.

Pursuant to the “Guiding Opinions on Accelerating the Cultivation of New Modes and New Forms of Shared Manufacturing to Promote the High-quality Development of the Manufacturing Industry” (《工業和信息化部關於加快培育共享製造新模式新業態促進製造業高質量發展的指導意見》), issued by MIIT on October 22, 2019, China will promote the construction of new infrastructure, specifically by strengthening the development of new-type infrastructure, including 5G, artificial intelligence, the industrial Internet, and the Internet of Things, and by expanding the coverage of high-speed, large-capacity, and low-latency networks.

Pursuant to the “Guidelines for the Development of National Data Infrastructure” (《國家數據基礎設施建設指引》), issued by the National Development and Reform Commission, the National Data Administration, and the MIIT on December 31, 2024, the National Data Infrastructure encompasses eight core capabilities: data acquisition, aggregation, transmission, processing, circulation, utilization, operation, and security.

Regulations on Production Safety

The “Production Safety Law of the PRC” (《中華人民共和國安全生產法》) was promulgated by the NPCSC on June 29, 2002, and was most recently amended by the NPCSC on June 10, 2021, effective from September 1, 2021. According to this Law, enterprises engaged in production and business activities must abide by relevant work safety laws and regulations, strengthen work safety management, establish and improve the all-staff work safety responsibility system and work safety rules and regulations, increase investment in work safety (including funds, materials, technologies, and personnel), improve work safety conditions, strengthen the standardization and informatization of work safety, establish a dual prevention mechanism comprising graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism, and enhance the overall level of work safety to ensure workplace safety. The safety facilities of construction projects (new, renovation, or expansion) must be designed, constructed, and put into operation and use simultaneously with the main part of the projects. Investments in safety facilities must be included in the construction project budget. Entities that fail to provide the required production safety conditions are prohibited from engaging in production activities.

Regulations on Product Quality

The “Product Quality Law of the PRC” (《中華人民共和國產品質量法》), promulgated by the NPCSC on February 22, 1993, and most recently amended on December 29, 2018, stipulates that producers shall: (i) be responsible for the quality of their products; (ii) not produce products that have been explicitly eliminated by the state; (iii) not forge the place of origin, forge or falsely use the name and address of another person’s factory, or forge or fraudulently use quality marks such as certification marks; (iv) not produce or market adulterated products, pass off fake goods as genuine, or substitute sub-standard products for standard ones; and (v) ensure that the packaging quality of fragile, flammable, explosive, toxic, corrosive, radioactive, and other dangerous goods, products that cannot be inverted during storage and transportation, and other products with special requirements meets corresponding requirements, and provide warning signs or instructions in Chinese regarding matters needing attention during storage and transportation. If a product defect causes damage to person or property, the victim may claim compensation from the producer or the seller. Producers or sellers who

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manufacture or sell substandard products will be ordered to cease production and sales, the illegal products will be confiscated, and a fine will be imposed. Any illegal income shall also be confiscated. In serious circumstances, the business license may be revoked. If a crime is constituted, criminal liability shall be pursued according to law.

The “Civil Code of the PRC” (《中華人民共和國民法典》), promulgated by the NPCSC on May 28, 2020, and effective from January 1, 2021, provides that if a product defect causes damage to another person, the infringed party may claim compensation from the manufacturer or the seller. If the infringer knew the product was defective and still produced or sold it, or failed to take effective remedial measures as stipulated, resulting in death or serious health damage, the infringed party is entitled to claim corresponding punitive damages. If a product defect is attributable to the fault of a third party (e.g., a transporter or warehouseman) and causes damage, the producer or seller, after compensating the victim, shall have the right to seek recourse from said third party.

REGULATIONS ON CONSTRUCTION AND ENVIRONMENTAL PROTECTION

Regulations on Construction

Pursuant to the “Urban and Rural Planning Law of the PRC” (《中華人民共和國城鄉規劃法》), promulgated by the National People’s Congress Standing Committee (the “NPCSC”) on October 28, 2007, effective from January 1, 2008, and most recently amended on April 23, 2019; the “Construction Law of the PRC” (《中華人民共和國建築法》), promulgated by the NPCSC on November 1, 1997, effective from March 1, 1998, and most recently amended on April 23, 2019; and the “Regulation on Quality Management of Construction Projects” (《建設工程質量管理條例》), promulgated on January 30, 2000, and most recently amended on April 23, 2019, construction activities carried out within the built-up areas of cities, towns, and villages, as well as areas subject to planning control for urban and rural construction and development, must comply with the relevant requirements of the Urban and Rural Planning Law. The construction entity must obtain a construction land planning permit and a construction project planning permit from the competent department of urban and rural planning under the county-level people’s government. Furthermore, prior to commencement of construction, a construction permit must be obtained from the competent department of housing and urban-rural construction under the municipal or county-level people’s government where the project is located. Upon completion of the construction project, the construction entity shall organize the design, construction, project supervision, and other relevant entities to conduct the final inspection and acceptance.

In accordance with the “Regulations on the Administration of Approval and Filing of Enterprise Investment Projects” (《企業投資項目核准和備案管理條例》), promulgated by the State Council on November 30, 2016, and effective from February 1, 2017, projects related to national security, major productivity distribution, strategic resource development, and major public interests are subject to approval management. The specific project scope, approval authority, and approval power shall be implemented in accordance with the catalogue of investment projects approved by the government.

Regulations on Environmental Protection

Pursuant to the “Environmental Protection Law of the PRC” (《中華人民共和國環境保護法》), promulgated by the NPCSC on December 26, 1989, last amended on April 24, 2014, and effective from January 1, 2015; the “Environmental Impact Assessment Law of the PRC” (《中華人民共和國環境影響評價法》), promulgated by the NPCSC on October 28, 2002, effective from September 1, 2003, and last amended on December 29, 2018; and the “Administrative Regulations on the Environmental Protection of Construction Projects” (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, last amended on July 16, 2017, and effective from October 1, 2017, enterprises planning to construct projects must engage qualified professionals to prepare environmental impact

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assessment reports, assessment forms, or registration forms for such projects. These documents must be submitted to the relevant environmental protection bureau for filing or approval prior to the commencement of any construction work.

Regulations on Pollutant Discharge Permits

The “Regulations on the Administration of Pollutant Discharge Permits” (《排污許可管理條例》), promulgated by the State Council on January 24, 2021, and effective from March 1, 2021, stipulate that enterprises, institutions, and other producers and operators subject to pollutant discharge permit management must apply for and obtain pollutant discharge permits in accordance with the provisions of the regulations. Entities that have not obtained pollutant discharge permits are prohibited from discharging pollutants.

Pursuant to the “Classified Management Catalogue of Pollutant Discharge Permits for Stationary Sources of Pollution (2019 Edition)” (《固定污染源排污許可分類管理名錄(2019年版)》), promulgated by the Ministry of Ecology and Environment on December 20, 2019, effective the same day, a pollutant discharge entity subject to registration management is not required to apply for a pollutant discharge permit but must complete the pollutant discharge registration form on the national pollutant discharge permit management information platform, registering its basic information, pollutant discharge outlets, implemented pollutant discharge standards, adopted pollution prevention and control measures, and other relevant information.

Regulations on Fire Prevention

Pursuant to the “Fire Prevention Law of the PRC” (《中華人民共和國消防法》), promulgated by the NPCSC on April 29, 1998, effective from September 1, 1998, and last amended on April 29, 2021, effective the same date, along with the “Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design for Construction Projects” (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, effective from June 1, 2020, and last amended on August 21, 2023, effective from October 30, 2023, the fire prevention design and construction of a construction project must conform to national fire prevention technical standards. For construction projects requiring fire prevention design according to national standards, the fire prevention design examination and acceptance system shall apply. Upon completion of projects subject to fire prevention acceptance application as required by the competent housing and urban-rural development department under the State Council, the construction entities must apply to the competent housing and urban-rural development department for fire prevention acceptance checks.

OTHER REGULATIONS RELATING TO DOING BUSINESS IN CHINA

Regulations on Intellectual Property Rights

Copyright

The “Copyright Law of the PRC” (《中華人民共和國著作權法》), initially promulgated on September 7, 1990, and most recently amended on November 11, 2020, provides that Chinese citizens, legal persons, or other organizations shall enjoy copyright in their copyrightable works, whether published or not, including works of literature, art, natural science, social science, engineering technology, and computer software. Copyright owners enjoy certain legal rights, including the right of publication, right of authorship, and right of reproduction. The 2001 amendment extended copyright protection to internet activities and products disseminated online. The Copyright Law also provides for a voluntary registration system administered by the China Copyright Protection Centre. Infringers of

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copyright are subject to civil liabilities, including ceasing infringement, offering a public apology, and compensating for losses. In severe cases, infringers may also face fines and/or administrative or criminal liabilities.

The “Regulations on the Protection of Computer Software” (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991, and last amended on January 30, 2013, stipulate that Chinese citizens, legal persons, or other entities own the copyright in software developed by them, encompassing the right of publication, right of authorship, right of modification, right of reproduction, distribution right, rental right, right of communication through information networks, translation right, and other rights, regardless of publication status.

The “Measures for the Registration of Computer Software Copyright” (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on February 20, 2002 (with certain provisions amended by the Administrative Licensing Law issued in 2004), allow for the registration of software copyrights, exclusive licensing contracts, and transfer contracts. The National Copyright Administration is the competent authority, designating the Copyright Protection Centre of China as the registration authority, which issues registration certificates to compliant applicants.

Patent

The “Patent Law of the PRC” (《中華人民共和國專利法》), promulgated by the NPCSC on March 12, 1984, last amended on October 17, 2020, and effective from June 1, 2021, along with its implementing rules promulgated by the State Council on June 15, 2001, last amended on December 11, 2023, and effective from January 20, 2024, designate the State Intellectual Property Office as the responsible administrative body. The Chinese patent system adopts a first-to-file principle. To be patentable, an invention or utility model must possess novelty, inventiveness, and practical applicability. Patent terms are twenty years for inventions, ten years for utility models, and fifteen years for designs.

Trademark

Trademarks are protected by the “Trademark Law of the PRC (2019 Revision)” (《中華人民共和國商標法(2019年修正)》), initially adopted in 1982 and subsequently amended in 1993, 2001, 2013, and 2019, and its implementing regulations. The Trademark Office of the State Administration for Market Regulation (“SAMR”) handles trademark registrations. Registered trademarks are granted a ten-year term, renewable for further ten-year periods. Trademark license agreements must be filed with the Trademark Office for recordation. The Trademark Law adopts a first-to-file principle for registration.

Domain Name

The MIIT promulgated the “Measures on Administration of Internet Domain Names” (《互聯網域名管理辦法》) on August 24, 2017, effective November 1, 2017, replacing prior regulations. The MIIT is in charge of PRC internet domain name administration. Domain name registration follows a first-to-file principle. Applicants must provide true, accurate, and complete identity information to registration service institutions and become the holder upon successful registration.

The “Implementing Rules of China ccTLD Registration” (《國家頂級域名註冊實施細則》), promulgated on June 18, 2019, effective immediately, stipulate that domain name registrations are handled through authorized service agencies, and the applicant becomes the holder upon successful registration. Domain name disputes shall be submitted to an organization authorized by the China Internet Network Information Centre.

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The “Notice on Regulating the Use of Domain Names in Internet Information Services” (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), promulgated by the MIIT on November 27, 2017, effective January 1, 2018, requires Internet access service providers to verify the identity of Internet information service providers and not provide services to those failing to provide real identity information.

Regulations on the Import and Export of Goods and Technology

Pursuant to the “Foreign Trade Law of the PRC” (《中華人民共和國對外貿易法》), promulgated by the NPCSC on May 12, 1994, and most recently amended on December 30, 2022, and the “Notice on Matters Related to the Record-filing of Consignors and Consignees of Import and Export Goods” (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the PRC on January 3, 2023, effective immediately, consignors and consignees of import and export goods applying for record-filing must possess market entity qualification and are no longer required to obtain the record-filing of foreign trade business operators. For technologies categorized as free import and export, contract record-filing and registration formalities shall be completed with the foreign trade department under the State Council or its entrusted institutions.

According to the “Law of the PRC on Import and Export Commodity Inspection” (《中華人民共和國進出口商品檢驗法》), promulgated by the NPCSC on February 21, 1989, effective from August 1, 1989, and last amended on April 29, 2021, effective the same date, and its implementing regulations promulgated by the State Council on August 31, 2005, effective from December 1, 2005, and last amended on March 29, 2022, effective from May 1, 2022, the General Administration of Customs is responsible for the inspection of import and export commodities in the PRC. Entry-exit inspection and quarantine authorities conduct inspections on commodities listed in the catalogue and on other commodities prescribed by laws and administrative regulations. For commodities not subject to mandatory inspection, the authorities conduct random inspections according to state regulations. Imported commodities subject to inspection may not be sold or used without inspection. Exported commodities subject to inspection may not be exported without inspection or if they fail to pass inspection.

Regulations on Trade Secrets and Anti-Unfair Competition

The “Anti-Unfair Competition Law of the PRC” (《中華人民共和國反不正當競爭法》), initially enacted in September 1993 and subsequently amended on November 4, 2017, April 23, 2019, and June 27, 2025, effective from October 15, 2025, defines “trade secrets” as technical, operational, or other business information that is not publicly known, has commercial value, and is subject to reasonable confidentiality measures. The Law prohibits business entities from acquiring, disclosing, using, or permitting others to use trade secrets through improper means (e.g., theft, bribery, fraud, coercion, electronic intrusion). It also prohibits breaches of confidentiality obligations and instigating or assisting others in violations.

The Civil Code imposes strict confidentiality obligations on parties during contract negotiations, prohibiting the disclosure or misuse of acquired trade secrets, regardless of whether a contract is concluded. Breaches causing losses may result in liability for damages.

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Regulations on Labor Protection

Labor Law and Labor Contract Law

Pursuant to the “Labor Law of the PRC” (《中華人民共和國勞動法》) (last amended December 29, 2018), the “Labor Contract Law of the PRC” (《中華人民共和國勞動合同法》) (last amended December 28, 2012, effective July 1, 2013), and its implementing regulations (effective September 18, 2008), employers must establish and improve rules and regulations in accordance with the law. A written labor contract is required upon establishment of an employment relationship, containing terms such as contract duration, working hours, rest periods, remuneration, social security, labor protection, working conditions, occupational hazard prevention, and other legally stipulated matters.

Social Insurance and Housing Provident Fund

The “Social Insurance Law of the PRC” (《中華人民共和國社會保險法》), promulgated on October 28, 2010, effective July 1, 2011, and amended on December 29, 2018, requires employee participation in five basic insurances: pension, unemployment, maternity, work-related injury, and medical insurance, with contributions from both employers and employees. Where an employer fails to make social insurance contributions in full and on time, the social insurance contribution collection agencies shall order it to make all or outstanding contributions within a specified period and impose a late payment fee at the rate of 0.05% per day from the date on which the contribution becomes due. If such employer fails to make the overdue contributions within such time limit, the relevant administrative department may impose a fine equivalent to one to three times of the overdue amount.

Pursuant to the Provisional Regulations on the Collection and Payment of Social Insurance Premium (《社會保險費征繳暫行條例》), which came into effect on 22 January 1999 and amended on 24 March 2019, the Regulations on Work Injury Insurance (《工傷保險條例》) implemented on 1 January 2004 and amended on 20 December 2010, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated on 22 January 1999 and the Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》) implemented on 1 January 1995, enterprises in China must provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies and must pay or withhold relevant social insurance premiums for or on behalf of employees.

The “Regulations on the Administration of Housing Provident Fund” (《住房公積金管理條例》), promulgated in 1999 and amended in 2002 and 2019, require employers to register and open bank accounts for employee housing provident funds. Both employer and employee must contribute an amount no less than 5% of the employee’s average monthly salary of the preceding year, paid in full and on time.

According to the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People’s Court shall support such claims.

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Regulations on Foreign Investment in the PRC

The “Foreign Investment Law of the PRC” (《中華人民共和國外商投資法》) was promulgated on March 15, 2019, effective January 1, 2020, replacing the three previous major foreign investment laws and their implementing rules. It defines “foreign-invested enterprises” as enterprises wholly or partly invested by foreign investors and registered under PRC law, and “foreign investment” covers direct or indirect investment activities, including establishing FIEs, acquiring interests in domestic enterprises, investing in new projects, and other methods prescribed. The State Council issued the implementing regulations for this Law on December 26, 2019, effective January 1, 2020. In case of discrepancy with pre-2020 regulations, the new Law and its implementing regulations prevail.

The “Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version)” (《外商投資准入特別管理措施(負面清單) (2024年版)》), jointly issued by the NDRC and MOFCOM on September 6, 2024, details prohibited and restricted industries. Investments in prohibited industries are forbidden; investments in restricted industries must meet specified conditions. Industries not listed are generally permitted.

The “Measures on Reporting of Foreign Investment Information” (《外商投資信息報告辦法》), jointly promulgated by MOFCOM and SAMR on December 30, 2019, effective January 1, 2020, replaced prior filing measures. Foreign investors or FIEs must submit investment information via the Enterprise Registration System and the National Enterprise Credit Information Publicity System.

The “Measures on the Security Review of Foreign Investment” (《外商投資安全審查辦法》), jointly promulgated by the NDRC and MOFCOM on December 19, 2020, effective January 18, 2021, establishes a security review mechanism. The Office of the Working Mechanism of the Security Review of Foreign Investment (外商投資安全審查工作機制辦公室) (the “**Office of the Working Mechanism**”) will be established under the NDRC, who will lead the task together with the MOFCOM. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defence, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transport services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise.

Regulations on Overseas Investment

The “Measures for Overseas Investment Management” (《境外投資管理辦法》), promulgated by MOFCOM on March 16, 2009, and amended on September 6, 2014, effective October 6, 2014, defines overseas investment as the establishment or acquisition of ownership, control, or management rights in overseas non-financial enterprises by PRC enterprises. Investments involving sensitive countries/regions or industries require approval; others are subject to filing.

The “Administrative Measures for Outbound Investment by Enterprises” (《企業境外投資管理辦法》), promulgated by the NDRC on December 26, 2017, effective March 1, 2018, defines overseas investment as investment activities by PRC domestic enterprises obtaining relevant rights and interests overseas. Procedures include approval/filing of projects, information reporting, and cooperation with supervision. The NDRC promulgated the Catalog of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》) on January 31, 2018 and came into effect on March 1, 2018, to list the current sensitive industries in detail.

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According to (i) the “Foreign Exchange Administration Rules on Outbound Direct Investment of the PRC Organizations” (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and becoming effective on August 1, 2009 and (ii) the “Circular on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment” (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated on February 13, 2015 and becoming effective on June 1, 2015, which was partially abolished by the SAFE, a PRC enterprise which has completed the approval or filing procedures at the outbound investment regulatory authorities shall make the registration with SAFE through its designated banks in connection with its outbound direct investment and obtain a corresponding SAFE registration certificate. With the approval or filing certificate issued by the outbound investment regulatory authorities and the SAFE registration certificate, the PRC enterprise can remit funds outside the PRC through the designated banks for the purpose of outbound direct investment. In the event of changes to certain basic information of the offshore company registered at SAFE’s system, the PRC enterprise shall make the alteration registration with SAFE through its designated banks.

Pursuant to the “Notice on Issues concerning Foreign Exchange Control Pertaining to Overseas Listing” (《關於境外上市外匯管理有關問題的通知》), promulgated by the SAFE with immediate effect on December 26, 2014, domestic companies listed overseas shall submit the registration documents for their overseas listings to domestic banks to open designated foreign exchange accounts regarding their initial or follow-on offerings and share repurchases, and handle the exchange, transfer and remittance of relevant funds through such designated accounts, and the proceeds raised from overseas listings of a domestic company may be remitted into the PRC or deposited overseas, and the use of such proceeds shall be consistent with those set out in the prospectus or other publicly disclosed documents such as the corporate bonds offering documentations, board resolutions or shareholders’ resolutions.

Regulations on Data Security

The “Data Security Law of the PRC” (《中華人民共和國數據安全法》), issued on June 10, 2021, effective September 1, 2021, requires organizations and individuals conducting data processing activities to comply with laws, fulfill data security protection obligations, and not endanger national security or public interests. Any organization or individual collecting data shall do so in a lawful and legitimate manner, and shall not steal or obtain data in other illegal means.

The “Regulations on Protecting the Security of Critical Information Infrastructure” (《關鍵信息基礎設施安全保護條例》), effective September 1, 2021, defines Critical Information Infrastructure (“CII”) as network facilities and information systems in important industries and fields, such as public communication and information services, energy, transportation, irrigation, finance, public services, e-government and science and technology industries for national defense, which may seriously endanger national security, national economy and people’s livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. As of the latest practicable date, we had not been notified that we are recognized by any competent authority or regulatory authority as a critical information infrastructure operator.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “Measures”), which was jointly issued by the CAC, the National Development and Reform Commission, the MIIT, and ten other PRC regulatory authorities on December 28, 2021 and came into effect on February 15, 2022, any procurement of network products and services by critical information infrastructure operators or any data processing activities by network platform operators, that affect or may affect national security, shall be subject to cybersecurity review. Any network platforms operators in possession of the personal information of more than one million users that is going to be listed abroad shall file for cybersecurity review with the Cybersecurity Review Office.

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The “Measures for Security Assessment for Cross-border Data Transfers” (《數據出境安全評估辦法》), effective September 1, 2022, requires data processors to declare security assessment for cross-border data transfers to the Cyberspace Administration of China through the local cyberspace administration at the provincial level: (i) where a data processor provides critical data abroad; (ii) where a key information infrastructure operator or a data processor processing the personal information of more than one million people provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 people or sensitive personal information of 10,000 people in total abroad since January 1 of the previous year; (iv) other circumstances prescribed by the Cyberspace Administration of China for which declaration for security assessment for cross-border data transfers is required.

The “Measures on the Standard Contract for Cross-border Transfer of Personal Information” (《個人信息出境標準合同辦法》), effective June 1, 2023, applies to the provision of personal information by personal information processors to overseas recipients by concluding a standard contract for outbound transfer of personal information (hereinafter referred to as “Standard Contracts”). Personal information processors shall file with the local counterpart of the CAC within ten business days from the effective date of the Standard Contracts. The filing materials shall include: (1) the Standard Contracts; and (2) the personal information protection impact assessment report.

The “Regulations on Promoting and Regulating Cross-Border Data Transfer” (《促進和規範數據跨境流動規定》), effective March 22, 2024, provides that data processors other than operators of critical information infrastructure who provide important data overseas or to who have provided personal information (excluding sensitive personal information) of more than one million people or sensitive personal information of more than 10,000 people cumulatively since January 1 of that year should declare security assessment for cross-border data transfers, except for those specified in Articles 3, 4, 5, and 6 of the regulations. In case of any inconsistency between the Regulations and other regulations such as the Measures for Security Assessment Measures for Cross-border Data Transfers (《數據出境安全評估辦法》) issued on July 7, 2022 and the Measures on the Standard Contract for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) issued on February 22, 2023, the Regulations shall prevail.

The “Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation)” (《工業和信息化領域數據安全管理辦法(試行)》), effective January 1, 2023, imposes data security obligations on data processors in the field of industry and information technology carried out within the territory of China, and sets out a series of data security protection obligations for data processors in such field, such as establishing a full life-cycle data security management system, appointing data security management personnel, and conducting filings for the important data and core data processed by the data processors.

Regulations on Foreign Exchange

Pursuant to the “PRC Foreign Exchange Administration Rules” (《中華人民共和國外匯管理條例》), promulgated on January 29, 1996 and most recently amended on August 5, 2008 and various regulations issued by the State Administration of Foreign Exchange (the “SAFE”), and other relevant PRC government authorities, Renminbi is convertible into other currencies for current account items, such as trade-related receipts and payments and payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for capital account items, such as direct equity investments, loans, and repatriation of investment, requires the prior approval from SAFE or its local office.

The Regulations on the Administration of the Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the People’s Bank of China on June 20, 1996 and came into effect on July 1, 1996, provides that foreign exchange earnings under the current

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account of FIEs may be retained to the fullest extent specified by the relevant foreign exchange bureau. Any portion in excess of such amount shall be sold to a designated foreign exchange bank or through a foreign exchange swap centre.

On March 30, 2015, the SAFE promulgated the Notice on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign-Funded Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**Circular 19**”), which came into effect on June 1, 2015 and was last amended on March 23, 2023. According to Circular 19, the foreign exchange capital of FIEs shall be subject to the discretionary foreign exchange settlement (the “**Discretionary Foreign Exchange Settlement**”) and its proportion is temporarily determined as 100%. Furthermore, Circular 19 stipulates that the use of capital by FIEs shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of an FIE and capital in RMB obtained by the FIE from foreign exchange settlement shall not be used for certain purposes as prescribed in the Circular 19. The Circular on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (the “**SAFE Circular 16**”), which was promulgated by the SAFE on June 9, 2016 and was revised on December 4, 2023, unifies policies on discretionary settlement of foreign exchange receipts under capital accounts of domestic institutions.

Regulations on Taxation

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the Corporate Income Tax Law, last amended and became effective on December 29, 2018, and the Implementation Regulations for the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the Implementation Regulations for the Corporate Income Tax Law, last amended on December 6, 2024, all the domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax at the uniform tax rate of 25%, except for the high-tech enterprises provided by the state, which will be subject to enterprise income tax at the reduced rate of 15%, or the qualified small low-profit enterprises, which will enjoy the reduced enterprise income tax rate of 20%.

Enterprises that are recognized as High and New Technology Enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the Ministry of Science on April 14, 2008 and amended on January 1, 2016, the MOF and the SAT are entitled to enjoy a preferential corporate income tax rate of 15%. The validity period of the High and New Technology Enterprise qualification is three years from the date of issuance of the certificate. An enterprise can re-apply for recognition as a High and New Technology Enterprise before or after the previous certificate expires.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was last amended and became effective on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulation of the PRC on Value Added Tax (2011 Revision) (《中華人民共和國增值稅暫行條例實施細則(2011修訂)》) which was promulgated on December 25, 1993 and last amended on October 28, 2011 and became effective on November 1, 2011, all entities or individuals in the PRC engaging in the sale of goods, provision of processing services, repairs and replacement services and the importation of goods are required to pay value-added tax (the “**VAT**”). VAT payable is calculated as “output VAT” minus “input VAT.” The rate of VAT is usually 17%, and in certain limited circumstances is 11% or 6% or 0, subject to the situation involved.

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Furthermore, pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) which was promulgated on December 25, 2024 and will become effective on January 1, 2026, the rate of VAT is usually 13%, and in certain limited circumstances is 9% or 6% or 0. This Law shall come into force as of January 1, 2026, repealing simultaneously the Provisional Regulations on Value-added Tax of the PRC.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) issued on 4 April 2018 and became effective on 1 May 2018, the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Notice of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on Relevant Policies for Deepening Value Added Tax Reform (《關於深化增值稅改革有關政策的公告》) issued on 20 March 2019 and became effective on 1 April 2019, the value added tax rate was respectively reduced to 13% and 9%, with respect to the VAT taxable sales or imported goods of a VAT general taxpayer.

According to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《營業稅改征增值稅試點方案》), which was promulgated on November 16, 2011, the government launched gradual taxation reforms starting from January 1, 2012, whereby it collected value-added tax in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries.

Furthermore, according to the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (《財政部、國家稅務總局關於全面推開營業稅改征增值稅試點的通知》), promulgated on March 23, 2016, took effect on May 1, 2016 and amended on July 11, 2017 and March 20, 2019, respectively, entities engaging in sale of services, intangible assets or immovables within the territory of the PRC are taxpayers of VAT. Taxpayers providing taxable acts shall pay VAT pursuant to these Measures and shall not pay business tax, the tax rate for taxable acts of taxpayers shall be 6% unless specially stipulated by the articles of the notice.

Dividend Withholding Tax

The Enterprise Income Tax Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors which do not have an establishment or place of business in the PRC, or which have an establishment or place of business that is not effectively connected with the relevant income, to the extent such dividends are derived from sources within the PRC.

Pursuant to the “Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Tax Evasion on Income” (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) issued by the State Administration of Taxation of PRC on August 21, 2006 and effective on December 8, if a Hong Kong resident enterprise self-assesses that it satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協定股息條款有關問題的通知》), or the SAT Circular 81, issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Circular on Several Questions regarding the “Beneficial Owner” in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), which was issued on February 3, 2018 by the SAT and

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took effect on April 1, 2018, when determining the applicant's status as a "beneficial owner" with respect to the tax treatment of dividends, interest or royalties under certain tax treaties, several factors, including whether the applicant is obligated to pay more than 50% of his or her income over a twelve-month period to residents of a third country or region, whether the business operated by the applicant constitutes actual business activities; and whether the counterparty country or region to the tax treaty does not levy any tax, exempts the relevant income from tax or levies tax at an extremely low rate, will be taken into account and be analyzed according to the actual circumstances of specific cases. The Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Treaties (《關於發布〈非居民納稅人享受協定待遇管理辦法〉的公告》), which was issued on October 14, 2019 and took effect on January 1, 2020, provides that applicant who intend to prove his or her "beneficial owner" status shall gather and retain relevant documents, and shall submit the relevant documents to the competent tax bureau upon post-request by such tax bureau.

PRC Resident Enterprise for Enterprise Income Tax Purposes

Under the EIT Law, which became effective on January 1, 2008 and was most recently amended on December 29, 2018, an enterprise established outside Chinese mainland whose "de facto management body" is located in China is considered a "resident enterprise in Chinese mainland" and will generally be subject to the uniform 25% EIT rate, on its global income.

On April 22, 2009, the SAT released the Circular 82 that sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by mainland Chinese enterprises or mainland Chinese enterprise groups is located within China. Further to Circular 82, on July 27, 2011, the SAT issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》) ("SAT Bulletin 45"), to provide more guidance on the implementation of Circular 82; the bulletin became effective on September 1, 2011 and most recently amended on June 15, 2018. SAT Bulletin 45 clarified certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures.

Under Circular 82, a foreign enterprise controlled by a mainland Chinese enterprise or mainland Chinese enterprise group is considered a mainland Chinese resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. If the PRC tax authorities determine that one company or any of its subsidiaries outside of China to be a PRC resident enterprise for enterprise income tax purposes, it would be subject to a 25% enterprise income tax on its global income, in according to the Circular 82 and SAT Bulletin 45.

Regulations on the Management of Leasing

The "Law on the Administration of Urban Real Estate" (《中華人民共和國城市房地產管理法》) (last amended August 26, 2019, effective January 1, 2020) requires a written lease contract for building leases, covering terms, purpose, price, maintenance liability, etc., and registration with the real estate administration department.

The "Administrative Measures for Commodity House Leasing" (《商品房屋租賃管理辦法》), promulgated on December 1, 2010, effective February 1, 2011, requires house leasing registration within 30 days of contract conclusion. Failure to register may result in orders to correct and fines.

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Regulations on Merger and Acquisition

The “Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors” (《關於外國投資者併購境內企業的規定》) (the “**M&A Provisions**”), issued by the Ministry of Commerce, effective on September 8, 2006, and revised on June 22, 2009, govern equity acquisitions and assets acquisitions by foreign investors, requiring approval from competent authorities (MOFCOM or provincial counterparts) and registration with administration for industry and commerce. Pursuant to the M&A Provisions, merger and acquisition of domestic enterprises by foreign investors shall mean acquisition of equity of shareholders of non-foreign investment enterprises in China (“**domestic companies**”) or subscription to additional capital of domestic companies by foreign investors to convert such domestic companies into foreign investment enterprises (“**equity acquisition**”); or incorporation of foreign investment enterprises by foreign investors to acquire and operate assets of domestic enterprises by such foreign investment enterprises by agreement, or acquisition of assets of domestic enterprises by foreign investors by agreement and investment of such assets to establish foreign investment enterprises for operation of such assets (“**assets acquisition**”).

Merger and acquisition of domestic enterprises by foreign investors for incorporation of foreign investment enterprises shall be subject to approval by the examination and approval authorities pursuant to the M&A Provisions and change registration or incorporation registration formalities shall be completed with the registration administration authorities. Examination and approval authorities shall mean the Ministry of Commerce of the PRC or the provincial commerce administration authorities; the registration administration authorities shall mean the State Administration for Industry and Commerce of the PRC or the local administration for industry and commerce authorized by the State Administration for Industry and Commerce; the foreign exchange control authorities shall mean the State Administration of Foreign Exchange of the PRC or its branches. And in the case of equity acquisition or assets acquisition by a foreign investor, the investor shall submit specific documents to the examination and approval authorities.

In addition, the Provisions of the Ministry of Commerce on the Implementation of the Safety Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the MOFCOM that became effective in September 2011 specifies that the merger and acquisition of domestic enterprises by foreign investors falls within the scope of security review on mergers and acquisitions specified in the Notice of the General Office of State Council on Establishment of Security Review System Pertaining to Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “**Notice**”), the foreign investor shall submit an application for security review on mergers and acquisitions to the Ministry of Commerce.

Regulations on Overseas Listing

The “Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies” (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and related guidelines, promulgated by the CSRC on February 17, 2023, and effective on March 31, 2023, establish a filing-based regulatory regime for both direct and indirect overseas offerings and listings by PRC domestic companies. The Overseas Listing Trial Measures has comprehensively improved and reformed the previous regulatory regime for overseas offering and listing of shares of PRC domestic companies and it regulates both direct and indirect overseas offering and listing of shares of PRC domestic companies by adopting a filing-based regulatory regime.

According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and market securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas offering and listing of shares is explicitly prohibited under any of the following circumstances: (i) such offering and listing of shares is explicitly prohibited by PRC laws and

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regulations, (ii) the proposed offering and listing of shares has been reviewed by competent authorities under the State Council in accordance with law and is determined such proposed offering and listing of shares will endanger national security, (iii) the domestic company which proposed to offer and list its shares overseas, or its controlling shareholder(s) and the actual controller of the company, have committed crimes in relation to corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years, (iv) the domestic company which proposed to offer and list its shares overseas is currently under investigations due to suspected crimes or major violations of laws and regulations, and no conclusion has yet been made thereof, or (v) there are material ownership disputes over the shares held by controlling shareholder(s) or controlled by the controlling shareholder(s) and/or actual controller of the domestic company.

The proposed overseas offering and listing of shares of domestic unlisted companies shall be in strict compliance with laws and regulations on national security in respect of foreign investment, cybersecurity, data security etc., and duly fulfill their obligations to protect national security.

The Overseas Listing Trial Measures further provides that the domestic companies that seek to offer and market securities in overseas markets shall file the application for the overseas initial public listing and offering of shares with the CSRC within three business days after the application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control, or voluntary or forced delisting of the issuer who have completed overseas offerings and listings. Where a domestic company fails to fulfill filing procedure or in violation of the provisions as stipulated above, in respect of its overseas offering and listing, the CSRC shall order rectification, issue warnings to such domestic company, and impose a fine ranging from RMB1,000,000 to RMB10,000,000. Also, the directly liable persons and actual controllers of the domestic company that organize or instruct the aforementioned violations shall be warned and/or imposed fines.

Pursuant to the “Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises” (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), promulgated by the CSRC and three other relevant government authorities on February 24, 2023, and effective on March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material that involves state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of Chinese Mainland by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of Chinese Mainland. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

OVERVIEW

Who We Are

We are a provider of optoelectronic interconnection products, offering optical transceivers, AOCs, which integrate optical transceivers and fiber cables into a single assembly for high-speed interconnection), and other products. Our optoelectronic interconnection products are widely deployed in AI data centers to support high-speed, high-density and energy-efficient data transmission. We establish end-to-end technological capabilities spanning from chip design to optical transceiver manufacturing, with a focus on SiPh technology.

Our optical transceiver portfolio covers 100G, 200G, 400G and 800G transmission speeds and is compatible with various industry-standard form factors. All of our single-mode optical transceivers are of 400G and above adopt SiPh technology. Our AOC and other products are diversified to meet varying customer requirements, generating synergies across our product portfolio and creating cross-selling opportunities.

According to Frost & Sullivan, we ranked seventeenth globally among optical transceiver providers by revenue in 2025, with a global market share of 0.8% in terms of revenue in 2025. According to the same source, we ranked eighth globally among Chinese optical transceiver providers in terms of AI optical transceivers, with a global market share of 1.6% by revenue in 2025.

Optoelectronic Interconnection Products Provider for AI Data Centers

According to Frost & Sullivan, we are one of the first companies in China to realize mass production and delivery of 400G and 800G AI optical transceivers, which are deployed in AI data centers and have been widely adopted by leading internet companies.

Optical transceivers are widely used to enable high-speed, long-reach interconnection within data centers. AI data centers, which host large-scale AI computing clusters, require much higher bandwidth and lower latency to support massive data exchange. SiPh optical transceivers are well suited for such applications, effectively overcoming these performance bottlenecks.

Our SiPh Technology

Optical transceivers convert electrical signals into high-bandwidth optical signals for data transmission, significantly enhancing rate, reach and energy efficiency. SiPh optical transceivers, developed using silicon-based materials and mature CMOS fabrication processes, integrate key yet fragmented optical components, including modulators, detectors and waveguides, either monolithically on a single chip or through optoelectronic co-packaging. This integration enables higher transmission speeds, lower power consumption and a more compact design with superior integration, performance and cost efficiency.

We engage in the research, development and application of SiPh technology. As of December 31, 2025, R&D personnel accounted for 45.1% of our workforce. During the Track Record Period, our research and development expenses amounted to RMB210.3 million in aggregate, reflecting our long-term commitment to innovation.

We have developed the following SiPh technology capabilities:

- A full series of SiPh optical transceivers covering 400G and 800G transmission speeds, featuring high performance and cost-effective optoelectronic integration designs.

BUSINESS

- End-to-end SiPh technology capabilities, encompassing SiPh chip design and our proprietary “Wafer-In, Module-Out” (“**WIMO**”) platform:
 - Our SiPh chip design is based on 12-inch wafers and developed using self-designed device libraries.
 - Our WIMO platform integrates the entire SiPh optical transceiver manufacturing process, including wafer testing, back-end processing, packaging and coupling, as well as optical transceiver calibration, testing and production.

According to Frost & Sullivan, we achieved the following:

- Mass production of SiPh optical transceivers integrating self-designed SiPh chips based on a 12-inch wafer manufacturing platform.
- Development of a WIMO platform.
- Development of 1.6T SiPh optical transceivers.
- Development of linear pluggable optics (LPO) and linear receiver optics (LRO) transceivers.
- Research and development of 3.2T and 6.4T optoelectronic chips for application in SiPh-based NPO and CPO form factors.

According to Frost & Sullivan, we are one of a few companies in the world with SiPh chip design capabilities as well as R&D and mass-production capabilities for SiPh optical transceivers.

Our Customers

We serve various leading internet companies, and our products are widely deployed in their AI data centers to enhance interconnect performance and power the growth of their AI and cloud service operations.

For certain of our key customers, we operate a JDM collaboration model. The JDM model requires deep technical integration and rigorous design quality and delivery standards. Our status as a JDM partner demonstrates strong customer recognition of our design, manufacturing and innovation capabilities.

Our Global Expansion

We collaborate closely with global leading technology companies to co-develop next-generation optoelectronic interconnection, including 1.6T and higher-speed optical transceivers, as well as NPO and CPO integration solutions powered by integrated circuits technologies.

Our Market Opportunities

In response to the growing opportunities arising from AI data centers and SiPh technology, we have established a product portfolio centered on high-speed optoelectronic interconnection technologies. Leveraging our deep technological expertise and vertical integrated R&D platform, we believe we are well positioned to capture the significant growth potential in this rapidly expanding market.

SiPh Technology: The Key to High-Density, High-Speed and Power-Efficient Optical Interconnection

SiPh is a key technology underpinning high-density, high-speed and power-efficient optical interconnection, and serves as the foundation for optical transceivers, as well as more advanced NPO and CPO technologies. By integrating optical and electronic components on a single chip, SiPh enables close coordination between optical communication and electrical signal processing, combining the precision and scalability of integrated-circuit manufacturing with the high-speed, low-power advantages of photonics. Supported by the manufacturability and cost advantages of silicon materials, SiPh achieves high levels of integration, performance, and energy efficiency, effectively meeting the growing requirements of next-generation optoelectronic integration technologies.

According to Frost & Sullivan, the global SiPh optical transceiver market by sales revenue has grown from RMB20.7 billion in 2021 to approximately RMB63.1 billion in 2025, representing a CAGR of 32.2%, and is expected to further grow to RMB263.3 billion, representing a CAGR of 27.1% from 2026 to 2030. According to Frost & Sullivan, China's SiPh optical transceiver market is expected to grow even more rapidly, reaching RMB82.9 billion in 2030 and representing a CAGR of 33.6% from 2026 to 2030.

AI-Driven Demand for High-Speed Optoelectronic Interconnection and Integration

Since 2022, the rapid growth of AI has greatly increased the need for computing power around the world. This has led major tech companies to build and improve AI data centers infrastructure all over the world.

As AI data centers scale horizontally by interconnecting more computing nodes (scale-out) and vertically by enhancing integration within each computing unit (scale-up), their network architectures are becoming more complex and data-intensive, requiring substantially higher bandwidth, density, and energy efficiency to maintain overall computing performance.

To meet these evolving requirements, AI data center networks are accelerating the transition toward next-generation optoelectronic integration technologies. These technologies are being progressively applied in product development, including DSP-based optical transceivers, LPO, LRO and AEC, as well as more advanced NPO and CPO technologies.

Our Performance

Our revenue increased by 391.6% from RMB175.3 million in 2023 to RMB861.8 million in 2024 and further grew by 41.7% to RMB1,221.1 million in 2025.

OUR STRENGTHS

Founder and Team: Founders with Profound Expertise in Optoelectronic Interconnection Industry and Seasoned Team of Diverse Professional Strengths

Our management and research team, supported by deep international experience and profound industry insight, has been instrumental in driving our breakthrough technological achievements and sustained innovation.

BUSINESS

Our Founder

Our founder, Dr. Hu Zhaoyang, graduated from Tsinghua University, worked with the optoelectronics research group at the University of California, Santa Barbara and served as a key technical leader in product development at several leading U.S. optical communication companies, including Optical Communication Products Inc., Oplink Communication Inc., and Source Photonics Inc.

He has published over 50 academic papers, with more than 40 indexed by SCI, and holds five U.S. patents and dozens of Chinese and international patents. Dr. Hu has also served as a reviewer for leading international journals under the IEEE and Optical Society of America. Five of his findings results were promoted to industry through the Technology Transfer Center of the University of California.

Dr. Hu has collaborated with leading global semiconductor companies on advanced SiPh research, laying a solid technical foundation for our leadership in the field.

Our R&D Leadership

Our chief scientist, Dr. Chen Xiaogang, holds a Ph.D. from Columbia University and has served as an assistant professor at the University of Illinois at Urbana-Champaign and a committee member of the IEEE Photonics Society Standards Committee. He has published over 20 academic papers in the field of SiPh and has extensive research and industry experience. Prior to joining us, Dr. Chen worked with IBM Research Lab, specializing in the design and development of SiPh chips. His research spans SiPh design, high-frequency and electrical design, chip packaging and testing, industrialization planning, and market strategy.

Our chief technology officer, Dr. Sun Xu, obtained his Ph.D. from the Royal Institute of Technology, Sweden, where his doctoral and postdoctoral research focused on SiPh chip design, processes, and applications. As first author, he has published five SCI papers and over ten papers at leading international conferences, and he holds or has applied for more than ten invention patents. Dr. Sun has led multiple rounds of SiPh chip tape-outs and accumulated extensive experience in design and mass production across major fabrication platforms.

Our Core Team

Our core management and R&D teams average over 10 years of industry experience and include graduates from leading domestic and overseas universities.

Our R&D team possesses deep technical expertise and project experience covering the full process of SiPh development, from chip design and device fabrication to module implementation, forming a comprehensive SiPh research and development framework. We have also established long-term collaboration networks with partners across the upstream and downstream segments of the SiPh value chain, enabling us to maintain strong technological leadership and rapid product innovation.

Focus on AI: We Provide High-Speed, Low-Power and Low-Latency Optoelectronic Interconnection Products that Enable AI Computing

Since our establishment in 2011, we have actively participated in the global evolution of high-speed interconnection technologies for AI data centers, achieving a series of technological breakthroughs, including:

- In 2021, we advanced the development of SiPh WIMO platform, and established an end-to-end process from wafer testing to optical transceiver production.

BUSINESS

- In 2023, we were among the first in China to achieve sustainable mass delivery of 400G QSFP112 optical transceivers, which have been widely adopted in AI computing clusters. In the same year, we pioneered the concept of immersion liquid cooling optical transceivers in China and participated in formulating the *Reliability Test Specification for Immersion Liquid Cooling Optical Transceivers*, which was officially released by the Open Data Center Committee.
- In 2024, we were among the first in China to achieve mass production and delivery of 800G optical transceivers. As a JDM partner of leading global internet companies, we also conducted a live demonstration of 800G high-speed optical transceivers, showcasing the latest achievements in integrating AI computing needs with optical interconnection technologies.
- In 2025, we introduced our new series of SiPh and AEC products at the China International Optoelectronic Exposition in Shenzhen.

These milestones demonstrate our ability to continuously meet the evolving needs of AI data centers. As computing clusters expand and evolve, our technology roadmap, from establishing an end-to-end to developing 400G and 800G optical transceivers and next-generation products, continues to advance in tandem with the technological evolution of AI data center interconnection.

Focus on SiPh: Seasoned R&D Team Advancing for the Next-Generation AI Optoelectronic Integration

End-to-End Capabilities from Chip to Optical Transceivers

We possess end-to-end technological capabilities across the SiPh optical transceiver development chain, encompassing SiPh chip design, wafer testing, and optical transceiver manufacturing. These capabilities enable us to deliver rapid and customized solutions that align with the fast-paced and iterative nature of AI data center networks

In 2023, we achieved mass production and delivery of a 400G SiPh optical transceiver. According to Frost & Sullivan, we were one of the first companies in China to achieve mass production of SiPh optical transceivers.

In 2025, we achieved mass production of SiPh optical transceivers integrating self-designed SiPh chips based on a 12-inch wafer manufacturing platform, enhancing manufacturing scalability and cost efficiency. These products have been supplied on a large scale to several major cloud service providers in China. According to Frost & Sullivan, we are among the first companies in China to achieve mass production and delivery of SiPh optical transceivers with proprietary chips.

Our integrated WIMO platform incorporates automated wafer testing, back-end processing, packaging and coupling, as well as optical transceiver calibration, testing and production. This platform maximizes the cost and process advantages of silicon materials while maintaining compatibility with existing industrial supply chains, contributing to the AI data center development in China. According to Frost & Sullivan, we are among the first companies in China to develop a SiPh packaging and testing platform.

BUSINESS

Enabling Next-Generation 3.2T and 6.4T Technologies

We are developing a SiPh technology designed to support emerging optoelectronic integration technologies. Leveraging our proprietary chip design capabilities, our SiPh chips meet the back-end process requirements of advanced optoelectronic packaging and can support 2.5D and 3D integration through technologies such as through-mold vias (TMV), redistribution layers (RDL) and copper-pillar interconnects. These capabilities enable the development of next-generation high-speed SiPh optical transceivers at 3.2T and 6.4T and facilitate the broader application of NPO and CPO technologies.

Through these efforts, we seek to strengthen our global SiPh standing, contributing to AI- era optoelectronic-interconnection innovation.

Business Model: A Full-Chain from Upstream SiPh Fabs to Downstream Leading Cloud Service Providers

Deep Collaboration with Upstream Fab Partners to Enable Scalable Production and Cost Efficiency

Our SiPh chips adopt a “less-change CMOS” design that enables them to share 12-inch production lines with traditional CMOS integrated circuits, eliminating the need for dedicated fabrication lines. According to Frost & Sullivan, this approach reduces our SiPh chip manufacturing cost by 30% to 40% compared with overseas tape-out and lowers the overall cost of our SiPh optical transceivers by 20% to 30% compared with competing products.

We have established a stable and reliable supply chain system with strong capacity assurance through deep collaboration with China’s leading wafer fabs in front-end manufacturing and our developed wafer- and device-level testing systems in back-end processes. Our data-driven testing-feedback and design-optimization loop improves product iteration efficiency by approximately three to five times compared with traditional models, significantly shortening R&D and mass production cycles. Robust capacity and rapid iteration enable us to evolve toward higher-speed SiPh optical transceivers, including 3.2T and 6.4T products.

Long-Term Partnerships with Customers under the JDM Model

During the Track Record Period, we became a supplier to several of China’s leading internet companies, with our products deployed in their AI data centers, thereby establishing high market-entry barriers.

In addition, as AI computing clusters rapidly evolve, leading Chinese internet companies increasingly require stringent performance enhancements, upgrade cycles and customization of optoelectronic interconnection products. To meet these needs, customers commonly adopt the JDM model, collaborating with optical transceiver manufacturers possessing end-to-end technical capabilities.

Leveraging our end-to-end technology capabilities, we have become a JDM partner with leading Chinese internet companies.

Our JDM collaborations have established a mutually reinforcing partnership model with customers. On one hand, by engaging deeply in customer projects, we gain early insight into frontier AI application needs, enabling rapid product optimization and continuous technological advancement. On the other hand, our products that have been validated through rigorous testing and qualification by leading internet customers further enhance our brand reputation, strengthen our supply-chain position, and expand our market share.

OUR STRATEGIES

Technology: Continuous Advancement of SiPh Technology and Optoelectronic Integration

Building on our technological leadership, we will continue to enhance and refine our SiPh product portfolio to achieve concurrent improvements in performance and cost efficiency. We aim to further optimize the core performance of SiPh chips by reducing waveguide loss, improving coupling efficiency between waveguides and optical fibers, and enhancing temperature stability to minimize power and wavelength fluctuations, thereby improving overall transmission performance and reliability.

We also plan to implement co-design approaches across photonics, electronics, and packaging to reduce manufacturing costs while maintaining superior performance, reinforcing our leadership in next-generation optoelectronic interconnection technologies.

In addition, we are making forward-looking investments in new-material technologies, such as siliconlithium niobate hybrid integration, and are independently developing advanced parallel optoelectronic interconnection technologies and packaging processes.

Production Capacity: Expanding SiPh and Optoelectronic Co-Packaging Capacity to Meet Rapidly Growing Downstream Demand

We plan to expand production capacity by increasing the level of automation across our production lines and logistics systems. Within our facilities, we are upgrading material-handling and information-transfer processes and introducing autonomous mobile robots for station-based handling and plug-and-pull operations. These initiatives will raise line throughput, improve material-flow flexibility, and reduce manual intervention, resulting in greater production stability and scalability to meet growing demand for SiPh products.

At the same time, we are advancing AI-enabled smart manufacturing to further improve efficiency. Our cloud-based testing platform dynamically allocates testing tasks to maximize equipment utilization, while our AI-driven optical inspection system identifies defects in real time to enable immediate corrective action. By integrating AI into systems that oversee production scheduling, resource allocation, quality control and material tracking, we aim to build a more intelligent manufacturing process that shortens delivery cycles and improves overall operational efficiency.

Domestic Customers: Capturing the Opportunities of China's AI Transformation and Driving Continuous Sales Growth

We intend to continue deepening our cooperation with major customers through JDM model. By engaging closely in customers R&D and project design processes, we gain early visibility into emerging AI application needs and rapidly tailor our optoelectronic interconnection products to their evolving technical specifications. This model enables efficient customization, faster iteration and stable long-term partnerships, creating strong customer stickiness and high market-entry barriers.

We plan to collaborate with China's leading GPU manufacturers to jointly develop SiPh-based solutions aimed at reducing data transmission distances, lowering energy consumption and enhancing overall system performance. Through such technological collaboration and product integration, we expect to further strengthen the competitiveness of our optoelectronic interconnection products and enhance our market position.

BUSINESS

Overseas Customers: Deepening Collaboration with Key Partners

We will continue to focus on addressing the evolving demands of AI computing. We plan to deepen our long-term partnerships with overseas customers through joint design and technological collaboration. By aligning our integrated SiPh chips and optical transceivers with the network architectures and performance requirements of these customers, and through continuous product upgrades and large-scale, cost-efficient manufacturing, we aim to help customers reduce deployment costs, enhance system energy efficiency, and strengthen strategic partnerships.

We are currently developing PCIe 6.0/7.0 SiPh AOC products and advancing the next-generation 3.2T and 6.4T NPO/CPO optoelectronic integration products. Given that products of such specifications have yet to reach large-scale commercialization globally, our continued R&D efforts are expected to enable us to capture overseas opportunities.

OUR PRODUCTS

We design, manufacture and sell optoelectronic interconnection products, including (i) optical transceivers, (ii) AOC, and (iii) others. As of the Latest Practicable Date, substantially all of our optoelectronic interconnection products, which meet the ultra-high bandwidth, ultra-low latency, and high-density transmission requirements to support massive parallel data exchange and intensive computing workloads, were used by end customers in AI computing clusters and AI data centers, and are therefore classified as AI optical transceivers. See “Industry Overview” for details.

The following table sets forth our revenue breakdown by product type for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Optical transceivers	123,845	70.6	589,721	68.5	923,944	75.7
AOC	46,057	26.3	151,116	17.5	248,127	20.3
Others ⁽¹⁾	5,436	3.1	120,995	14.0	48,992	4.0
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

Note:

- (1) Others primarily included optoelectronic components, such as optical sub-assemblies (“OSA”) and chip-on-board (“COB”) assemblies, as well as raw materials, including printed circuit board assemblies (“PCBA”) and other related components.

The following table sets forth our sales volume breakdown by product type for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	<i>(in thousands of units)</i>		
Optical transceivers	157	562	1,029
AOCs	135	164	273

Note: the sales volume for “Others” is not meaningful as we provide a various of non-homogeneous products thereunder.

BUSINESS

The following table sets forth our revenue breakdown by transmission speed for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
100G and below	75,523	43.1	73,990	8.6	18,232	1.5
200G	53,472	30.5	318,331	36.9	288,090	23.6
400G	40,871	23.3	267,053	31.0	671,422	55.0
800G and above	—	—	80,497	9.3	194,725	15.9
Others ⁽¹⁾	5,472	3.1	121,962	14.2	48,594	4.0
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

Note:

- (1) Others primarily included optoelectronic components, such as OSA and COB assemblies, as well as raw materials, including PCBA and other related components.

In 2025, revenue generated from our 100G-and-below products decreased while revenue from our 200G-and-above products increased, in line with our strategic focus on high-speed products to capture the surging AI-driven demand, particularly from leading internet companies operating data centers.

The following table sets forth a breakdown of our average selling price of optical transceivers and AOCs by transmission speed for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	<i>RMB</i>		
100G and below	363	407	115
200G	1,171	1,053	766
400G	1,358	1,343	962
800G and above	—	2,443	1,557

The average selling prices for our 100G-and-below optical transceivers and AOCs decreased in 2025, primarily due to increased proportion of lower-priced 10G and 25G products. The average selling prices of each of our 200G and 400G optical transceivers and AOCs decreased during the Track Record Period, primarily due to product maturity, intensified market competition, and increased customer adoption of large-volume procurement arrangements which strengthened customer bargaining power and led to pricing pressure. The average selling price of our 800G-and-above products decreased significantly in 2025 primarily due to relatively intense market competition during the early stage of commercialization, as compared with 2024 when the products were still in small-batch shipments with relatively higher pricing. According to Frost & Sullivan, such downward pricing trend for our different transmission speed products is generally consistent with the AI optical transceiver industry trend and are in line with industry peers. As compared with the prevailing industry average prices, our average selling prices for 400G and 800G-and-above optical transceivers were generally lower, primarily attributable to differences in customer composition, as our products were mainly sold to domestic customers, while higher-priced products in the industry are more concentrated in overseas markets. This was also attributable to our capacity allocation during the Track Record Period, as our higher-speed products were primarily supplied to domestic customers while U.S. customers were still undergoing qualification and verification for such products. See “Industry Overview — Average Price Analysis of AI Optical Transceiver” for further details.

BUSINESS

The following table sets forth a breakdown of our gross (loss)/profit by product type, in absolute amounts and as percentages of revenue, or gross (loss)/profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Optical transceivers	(31,628)	(25.5)	73,331	12.4	62,308	6.7
AOC	303	0.7	27,150	18.0	43,206	17.4
Others	21	0.4	1,332	1.1	4,242	8.7
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Optical transceivers: We recorded gross loss of RMB31.6 million and gross loss margin of 25.5% in 2023, and gross profit of RMB73.3 million and gross profit margin of 12.4% in 2024, primarily attributable to the realization of economies of scale arising from the mass production and shipment of our optical transceivers, mainly our high-speed 400G-and-above products. The resulting increase in production volume and manufacturing efficiency led to a significant improvement in our gross profit margin and overall operating results. Our gross profit of optical transceivers decreased from RMB73.3 million in 2024 to RMB62.3 million in 2025 and our gross profit margin decreased from 12.4% in 2024 to 6.7% in 2025, primarily due to the intensified competition in the high-speed optical receiver market, resulting in lower unit prices.

AOC: Gross profit of AOC increased from RMB0.3 million in 2023 to RMB27.2 million in 2024, and the gross profit margin of AOC increased from 0.7% to 18.0% in the same periods, primarily driven by the realization of economies of scale resulting from the ramp-up and mass shipment of our high-speed 400G-and-above AOC. Higher production volume and better capacity utilization enhanced manufacturing efficiency and cost effectiveness, leading to a marked increase in gross profit margin and overall operating performance. Gross profit of AOC increased from RMB27.2 million in 2024 to RMB43.2 million in 2025, in line with our business growth. Our gross profit margin of AOC remained stable at 18.0% in 2024 and 17.4% in 2025.

The following table sets forth a breakdown of our gross (loss)/profit by transmission speed, in absolute amounts and as percentages of revenue, or gross (loss)/profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
100G and below	(24,401)	(32.3)	7,793	10.5	2,528	13.9
200G	(2,579)	(4.8)	53,264	16.7	27,991	9.7
400G	(4,335)	(10.6)	25,294	9.5	72,217	10.8
800G and above	—	—	13,401	16.6	2,552	1.3
Others ⁽¹⁾	10	18.7	2,061	1.7	4,468	9.2
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Note:

- (1) Others primarily included optoelectronic components, such as OSA and COB assemblies, as well as raw materials, including PCBA and other related components.

BUSINESS

We recorded gross loss in 2023 primarily attributable to the decline in the selling prices of low-speed optical transceivers, including 100G-and-below products, which are our principal products sold in 2023, as a result of intensifying market competition. Our gross profit margin for 800G-and-above products decreased from 16.6% in 2024 to 1.3% in 2025 primarily due to an decrease in average selling price resulted from intense market competition during the early stage of commercialization.

Optical Transceivers

We categorize our optical transceivers by whether they are based on silicon photonics technology or non-silicon photonics technology, namely SiPh optical transceivers and other optical transceivers. During the Track Record Period, we experienced strong growth in revenue generated from SiPh optical transceivers.

SiPh optical transceivers differ from other optical transceivers in their manufacturing approach, application coverage and scalability. SiPh optical transceivers are typically produced using CMOS-compatible processes under a fabless model, which allows for lower costs and closer integration with the semiconductor supply chain, including advanced packaging technologies. In addition, SiPh optical transceivers are primarily single-mode products, enabling longer transmission distances that cover most intradata center use cases. Moreover, SiPh optical transceivers exhibit stronger scalability toward next-generation data rates and architectures, while other optical module technologies generally face greater challenges in achieving higher integration and evolving toward next-generation products.

The following table sets forth our revenue breakdown of our SiPh and other products for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
SiPh products	3,699	2.1	33,466	3.9	205,819	16.9
Other products ⁽¹⁾	171,639	97.9	828,366	96.1	1,015,244	83.1
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

Note:

- (1) Other products mainly includes non-SiPh optical transceivers (including 100G-and-below, 200G, 400G and 800G products) and AOCs.

During the Track Record Period, our revenue from both SiPh and other products experienced significant increase, primarily due to (i) the growing market demand of our products driven by AI-related applications, and (ii) our expanded production capacity and product portfolio. Particularly, the revenue contribution from our SiPh products increased, as our SiPh products gradually entered into mass production after validation and testing.

BUSINESS

The following table sets forth a breakdown of our gross (loss)/profit and gross (loss)/profit margin of SiPh and other products for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
SiPh products	(837)	(22.6)	(1,728)	(5.2)	37,051	18.0
Other products ⁽¹⁾	(30,467)	(17.8)	103,542	12.5	72,705	7.2
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Note:

- (1) Other products mainly includes non-SiPh optical transceivers (including 100G-and-below, 200G, 400G and 800G products) and AOCs.

We recorded gross loss and gross loss margin for our SiPh products in 2023 and 2024, primarily attributable to a high cost of sales, which was mainly driven by the relatively high prices of photonics integrated chips purchased from third-party suppliers. In contrast, we recorded gross profit and gross profit margin in 2025, primarily attributable to (i) a significant reduction in cost of sales achieved through technological optimization and economies of scale, and (ii) the increased adoption of self-developed photonics integrated chips in our products, the production costs of which were lower than the prevailing market prices of those purchased from third-party suppliers.

SiPh Optical Transceivers

Our SiPh optical transceivers are optical transceivers developed based on silicon photonics technology to apply SiPh chips to single-mode optical transceivers. As of the Latest Practicable Date, our major SiPh optical transceivers all had transmission rates of 400G and above. These products are widely deployed in AI data centers of internet companies, where they support large-scale model training, cloud workloads and backbone network interconnections. We are committed to continuously advancing our SiPh optical transceivers.



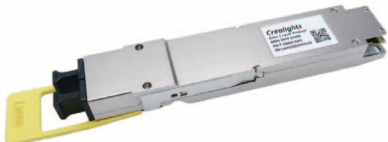


The use of SiPh chips consolidates discrete optical and electronic components onto a single transceiver, which enables a more compact design and, in turn, streamlines our manufacturing process, resulting in a more cost-effective and scalable production model. Leveraging these attributes, SiPh optical transceivers demonstrate strong scalability and are well positioned to support future technological advancements.

The revenue generated from our SiPh optical transceivers amounted to RMB3.7 million, RMB33.5 million and RMB205.8 million in 2023, 2024, and 2025, respectively, representing 2.1%, 3.9% and 16.9% of our total revenue for the same periods.

As of the Latest Practicable Date, we had four commercialized SiPh optical transceivers and one SiPh optical transceivers under development.

BUSINESS

The following table illustrates our SiPh optical transceivers during the Track Record Period.

Commercialized	Features	Average Selling Price
 400G QSFP112 DR4	It is available in QSFP112 and OSFP form factors, supporting four channels of 100G PAM4 electrical and optical parallel lanes, with a transmission distance of up to 500 meters over single-mode fiber. Based on SiPh technology, it is designed for medium- and long-reach data center interconnect applications.	RMB1,000 to RMB1,600
 400G QSFP112 FR4	It supports 400G CWDM4 transmission distance of up to 2 kilometers using single-mode fiber. It adopts SiPh technology with a four-channel CWDM4 MUX/DMUX architecture and is designed for long-reach data center interconnect applications.	RMB1,500 to RMB1,800
 800G OSFP 2 x DR4	It is available in OSFP and OSFP-RHS form factors, supporting eight channels of 100G PAM4 electrical and optical parallel lanes, with a transmission distance of up to 500 meters over single-mode fiber. It provides dual MPO12 or single MPO16 optical connector options. Based on SiPh technology, it is designed for medium- and long-reach data center interconnect applications.	RMB1,500 to RMB3,000
 800G OSFP 2 x FR4	It is available in OSFP and OSFP-RHS form factors, supporting eight channels of 100G PAM4 electrical lanes and two optical lanes in CWDM4 format, with a transmission distance of up to 2 kilometers over single-mode fiber. Based on SiPh technology, it is designed for medium- and long-reach data center interconnect applications.	RMB1,600 to RMB3,500
Under development	Features	
 1.6T OSFP 2 x DR4	It integrates a SiPh chip and adopts a 3-nanometer DSP with MCM flip-chip packaging, enabling high-frequency signal bandwidth. It features low cost and high performance and is designed for 1.6T short-, medium-, and long-reach data center transmission.	

The aforementioned commercialized SiPh optical transceivers support transmission distances of up to approximately two kilometers. We have commenced small-batch delivery of these products in the first half of 2026 and plan to further improve their cost efficiency and scale up deployment in 2027 to support broader market penetration. We have also developed SiPh optical transceivers supporting transmission distances of up to approximately 10 kilometers, which are expected to commence customer sampling in the fourth quarter of 2026 and progress toward mass production and delivery in 2027. We believe the growing demand for high-speed, long-reach interconnection within AI data centers driven by the expansion of AI computing clusters will support the commercialization of these products.


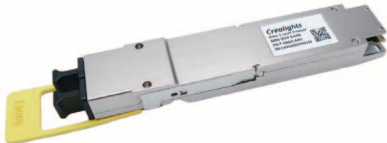
BUSINESS

Other Optical Transceivers

Our other optical transceivers primarily include 100G, 200G, 400G and 800G multi-mode optical transceivers. Characterized by broad compatibility, advanced technology and cost efficiency, these products are widely adopted in multiple application scenarios, particularly in data centers.

During the Track Record Period, the revenue generated from our other optical transceivers amounted to RMB171.6 million, RMB828.4 million and RMB1,015.2 million in 2023, 2024, and 2025, respectively, representing 97.9%, 96.1% and 83.1% of our total revenue for the same periods.

The following table illustrates our key other optical transceivers.

Commercialized	Features	Average Selling Price
 <p>400G QSFP112 VR4</p>	It is available in QSFP112 and OSFP form factors, supporting four channels of 100G PAM4 electrical and optical parallel lanes. It enables transmission distances of up to 50 meters over OM3 multimode fiber and 100 meters over OM4 multimode fiber. Based on VCSEL technology, it is designed for short-reach data center interconnect applications.	RMB700 to RMB1,200
 <p>800G OSFP 2 x SR4</p>	It is available in OSFP and OSFP-RHS form factors, supporting eight channels of 100G PAM4 electrical and optical parallel lanes. It achieves transmission distances of up to 50 meters over OM3 multimode fiber and 100 meters over OM4 multimode fiber, with dual MPO12 or single MPO16 optical connector options. Based on VCSEL technology, it is designed for short-reach data center interconnect applications.	RMB1,900 to RMB2,500

AOC


AOCs are optoelectronic interconnection products that integrate optical transceivers and optical fibers into a single cable assembly, enabling high-speed and low-latency data transmission over short distances with lower power consumption. AOCs complement optical transceivers by serving short-reach interconnection needs within racks or between adjacent devices, whereas optical transceivers are typically used for longer-distance data transmission between servers and switches.

We categorize our AOC by whether they are based on silicon photonics technology or non-silicon photonics technology.

- **SiPh AOC**, currently under development, as conventional non-silicon photonics technology is becoming increasingly inadequate to meet the growing market demand for higher bandwidth, lower power consumption and enhanced integration. Leveraging our proprietary technologies, we are developing SiPh AOC, such as 400G SiPh AOCs, 800G SiPh AOCs and PCIe 6.0 AOCs.


BUSINESS

The table below illustrates one of our latest SiPh AOCs.

Products	Pictures and Names	Features
<i>Under development</i>	 <p><i>400G QSFP112 to QSFP112 AOC (SiPh)</i></p>	It supports QSFP112-to-QSFP112 and QSFP112-to-OSFP112 form factors, with a transmission distance of up to 500 meters over single-mode fiber. It provides four channels of 100G PAM4 electrical lanes. Based on SiPh technology with optimized design, it offers low power consumption, cost efficiency, and high stability for short- and medium-reach data center interconnect applications.

- **Other AOC**, currently in mass production, as our major AOC product offerings and widely adopted in data centers and high-speed transmission scenarios.

The table below illustrates one of our latest other AOCs.

Products	Pictures and Names	Features	Average Selling Price
<i>Commercialized</i>	 <p><i>400G QSFP112 to OSFP112 AOC</i></p>	It supports QSFP112-to-QSFP112 and QSFP112-to-OSFP112 form factors, with a transmission distance of up to 50 meters over multimode fiber. It provides four channels of 100G PAM4 electrical lanes. Based on VCSEL technology, it is designed for short-reach data center interconnect applications.	RMB1,400 to RMB2,500


AEC

AECs are high-speed electrical interconnection products that integrate active equalization and amplification chips at both ends of copper cables to enhance signal integrity and extend transmission distance. AECs complement AOCs and optical transceivers in data center interconnection applications. While AOCs adopt optical fibers to achieve low-loss optical transmission for short- to medium-distance connections, AECs achieve comparable transmission performance through copper conductors, making them suitable for ultra-short distance connections within servers or between closely located devices.

We have commenced commercialization of our AEC products since December, 2025.

BUSINESS

The table below illustrates one of our latest AECs.

Products	Pictures and Names	Features	Average Selling Price
<i>Commercialized</i>	 <p><i>PCIe 6.0 AEC</i></p>	It supports OSFP-XD-to-OSFP-XD form factors and provides 16 channels of 64G PAM4 electrical parallel lanes, with a transmission distance of up to seven meters over copper cable. It is designed for ultra-short-reach data center interconnect in large-scale network deployments.	RMB600 to RMB1,000

In addition, we offer other optical components and optical engines.

OUR BUSINESS MODEL

We primarily operate our business under three models, including (i) the JDM model; (ii) the ODM model; and (iii) the private label model, to cater to the diverse needs of our customers.

The following table sets forth our revenue breakdown by business model in absolute amounts and as percentages of our total revenue for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
JDM model	42,844	24.4	489,364	56.8	552,240	45.3
ODM model	80,147	45.7	94,162	10.9	49,452	4.0
Private label model	52,347	29.9	278,306	32.3	619,371	50.7
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

JDM model: Our revenue generated from JDM model increased from RMB42.8 million in 2023 to RMB489.4 million in 2024, primarily attributable to the rapid expansion of our JDM business and the deepening cooperation with major customers under the JDM model. Our revenue generated from JDM model increased from RMB489.4 million in 2024 to RMB552.2 million in 2025 primarily attributable to the continued procurement demand from major customers under the JDM model.

ODM model: Our revenue generated from ODM model increased from RMB80.1 million in 2023 to RMB94.2 million in 2024, primarily attributable to the continued expansion of our overseas business under the ODM model. Our revenue generated from ODM model decreased from RMB94.2 million in 2024 to RMB49.5 million in 2025 primarily attributable to the shift in our business model mix during the year.

Private label model: Our revenue generated from private label model increased from RMB52.3 million in 2023 to RMB278.3 million in 2024, primarily attributable to the increasing market recognition of our proprietary-branded products and the expansion of our customer base. Our revenue generated from private label model increased from RMB278.3 million in 2024 to RMB619.4 million in 2025 primarily attributable to the continued commercialization and increased market adoption of our proprietary-branded products.

BUSINESS

The following table sets forth a breakdown of our gross (loss)/profit margins by business model, for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
		%	
JDM model	(17.4)	11.9	3.1
ODM model	(21.6)	21.6	48.7
Private label model	(12.5)	8.4	11.1
Total	(17.9)	11.8	9.0

The relatively low gross profit margin under our JDM model in 2025 was primarily attributable to our current customer mix, as we mainly serve large-scale domestic downstream customers under the JDM model, which generally involves lower pricing. While pricing dynamics from such key domestic customers may lead to short-term fluctuations in our gross profit margins, our close engagement with such customers supports higher-value business opportunities. In addition, we are progressively enhancing the JDM model in overseas markets, which, together with the generally higher pricing acceptance in such markets, is expected to support the gradual improvement of our gross profit margins under our JDM model.

Our JDM Model

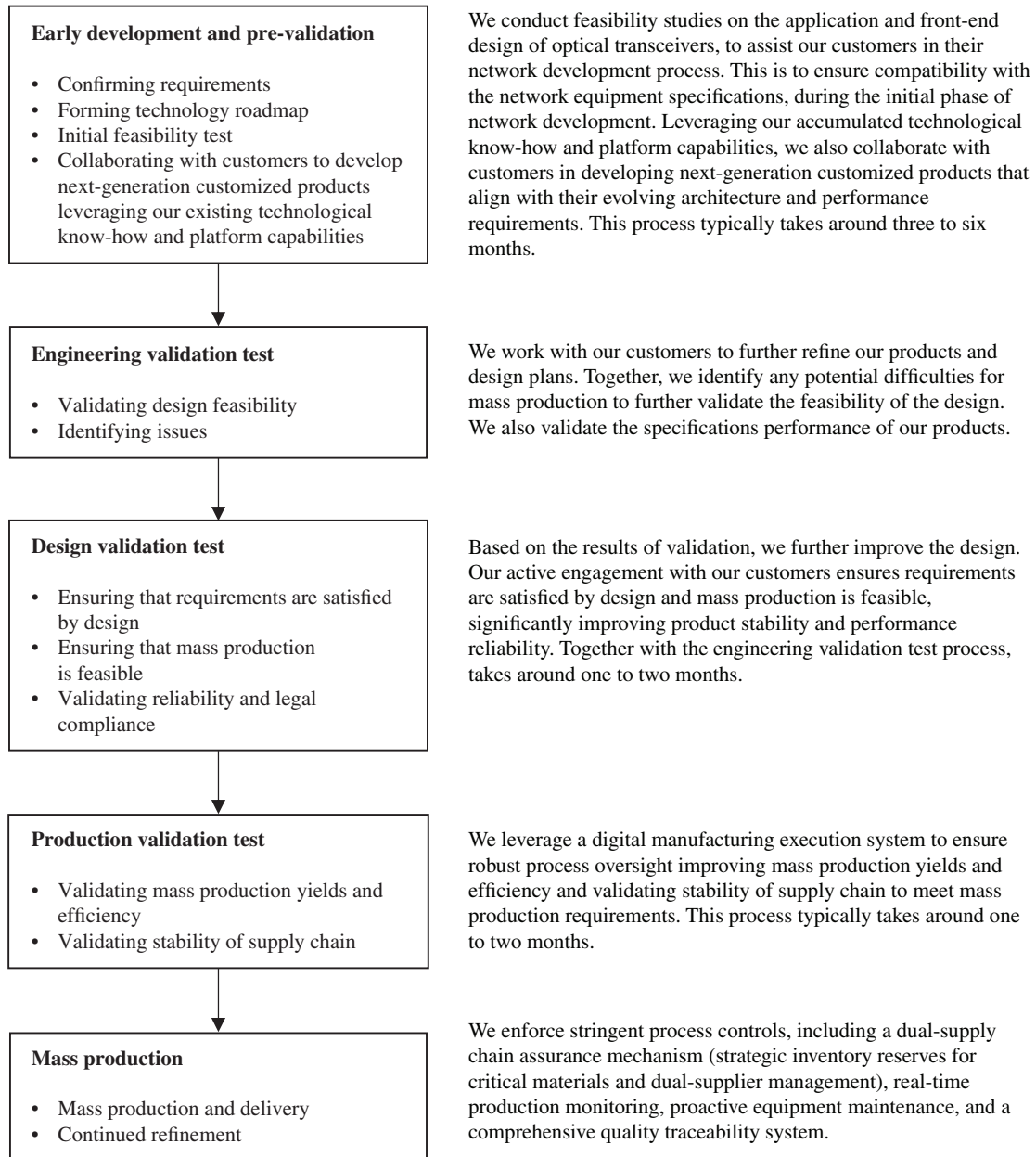
With the growing demand for customized optical transceivers from global leading internet companies and cloud service providers, traditional standardized products, fragmented supply chains and the industry's rapid technological iterations are no longer sufficient to meet stringent market performance and reliability requirements.

Benefiting from the long-standing trust and collaboration established with our customers, we are able to gain in-depth insight into their technology roadmaps and product requirements, enabling us to co-develop next-generation optoelectronic interconnection products tailored to their specific needs. In response, we have adopted a JDM model and cooperated with our major customers under the JDM model since 2022.

Under the JDM model, our customers grant us access to their proprietary designs, technical specifications and relevant patent know-how for the purpose of product customization and co-development, while we leverage our advanced R&D and manufacturing capabilities to deliver high-performance, reliable and scalable optical transceiver products that meet their stringent requirements.

BUSINESS

Under our JDM model, we engage with customers in connection with the development of certain customized products throughout the product development process:



We provide customers with yield analysis reports as and when required to drive continuous improvements in production efficiency and product quality. We also develop cost optimization plans to help customers reduce production costs.

Following the production validation test, it typically takes around six to ten months to initiate mass production. Once mass production begins, we continue to manufacture our products on a rolling basis in accordance with customer orders.

BUSINESS

Our JDM model also entails both commercial and technical requirements:

- **Commercially**, JDM requires long-term commitment and close collaboration with strategic customers, as the process involves joint investment of resources and a high degree of mutual trust. In return, it secures stable and recurring orders, providing strong visibility for our revenue stream.
- **Technically**, JDM projects demand deep integration with customers' system architectures. For example, in the context of AI data centers, the design of optical transceivers are expected to be tightly aligned with customers' GPU clusters and overall network architecture. This makes JDM not merely about product customization but about co-developing the entire interconnect solution for large-scale AI data centers.

By leveraging the JDM model, we not only strengthen customer stickiness and ensure long-term partnerships with global leaders in AI and cloud, but enhance our technological leadership by participating directly in the evolution of next-generation data center architectures.

Key Terms under JDM Model

<i>Terms</i>	The agreements typically have a term of two years under the JDM model.
<i>Pricing and fee arrangements</i>	The prices are set out in the agreements and determined based on product category, design complexity and technical requirements jointly defined with the customer.
<i>Acceptance</i>	Upon our delivery of product samples, our customer shall complete the acceptance inspection within 30 days. Mass production and shipment commence only after the sample passes the customer's acceptance tests.
<i>Intellectual property</i>	We may own or co-own the process-related know-how and design improvements developed in connection with the manufacturing process, depending on whether such developments are (i) customer-specific and based on customers' proprietary designs, technical specifications or confidential information, in which case such intellectual property shall generally belong to the customer, or (ii) developed using our existing know-how or pre-existing intellectual property, in which case we may retain ownership or co-ownership, as applicable. The original intellectual property rights of both parties shall remain with their respective owners, and each party agrees to grant the other party the necessary intellectual property licenses for the purposes of product development and manufacturing under the JDM model.
<i>Credit terms and payment</i>	We grant our customers a credit period of 30 days upon receipt of invoice for delivered goods that have passed acceptance, or a credit period of 60 days on a month-end basis upon issuance of invoice.

BUSINESS

<i>Product Return and Warranty</i>	The manufactured products must conform to our customer's specifications as set out in the agreements. Our customers are generally entitled to return or exchange products that do not meet their specifications.
<i>Termination</i>	The agreements may be terminated by written notice of either party under certain circumstances.
<i>Scope of Work</i>	We are required to complete the R&D of the customized goods within the prescribed timeline, and to conduct validation and mass production of the goods.
<i>Roles and Responsibilities</i>	<p>Our customer is generally responsible for providing the technical specifications, reviewing the R&D outcomes and conducting acceptance of the goods.</p> <p>We are responsible for the R&D, procurement of raw materials and production of customized products in accordance with the technical specifications. We also offer technical support and after-sales services.</p>
<i>Dispute Resolution</i>	Any dispute arising from or in connection with the agreement shall first be resolved through negotiation in good faith. If not resolved, it shall be submitted to the competent court for adjudication.
<i>Product Liability</i>	We are liable for product defects, and shall compensate our customer for any damage caused.

Our ODM Model

Under the Original Design Manufacturer (“ODM”) model, we design and manufacture products based on customer's specifications and requirements, while the final products are marketed and sold under the customer's own brands. This model allows us to leverage our design and R&D capabilities while benefiting from our customers' established brand recognition and distribution networks.

For instance, since 2022, we have collaborated with a leading global interconnect solutions provider, which is both one of our top five customers and top five suppliers during the Track Record Period. Through this cooperation, our products are sold into overseas markets under the customer's brand, facilitating our entry into new geographic markets and customer segments.

The following is a summary of the key terms under our ODM model:

<i>Terms</i>	The agreement typically has no fixed term.
<i>Pricing and Fee Arrangements</i>	The price is generally specified in the purchase order with reference to the market price and through mutual negotiation.
<i>Acceptance</i>	Our customer may inspect and test the goods within a commercially reasonable period of time, and could reject the goods that are materially defective or not in conformity with the requirements specified in the agreement.

BUSINESS

<i>Intellectual Property</i>	Our customer owns the intellectual property rights in the goods, while the original intellectual property rights of both parties shall remain with their respective owners.
<i>Credit Terms</i>	We grant our customer a credit period of 30 days upon receipt of goods or receipt of an invoice.
<i>Product Return and Warranty</i>	We generally grant our customer a warranty period of five years. If the products are found defective during the warranty period, our customer may reject or revoke acceptance of the goods, or retain the goods with a price deduction.
<i>Termination</i>	The agreements may be terminated by written notice of our customer in advance.
<i>Scope of Work</i>	We undertake the R&D, manufacture and delivery of the goods.
<i>Roles and Responsibilities</i>	We conduct R&D and manufacture of the goods either in accordance with the technical standards as requested by the customer, or in accordance to our internal specifications.
<i>Dispute Resolution</i>	Any dispute arising from or in connection with the agreement shall generally be submitted to the competent court for adjudication.
<i>Product Liability</i>	We are generally liable for any defects of the goods.

Our Private Label Model

Under our Private Label (“PL”) Model, we directly supply standardized optical transceivers and optoelectronic interconnection products to customers, which are marketed under our own brands. This model enables us to reach a broader customer base and penetrate markets efficiently.

The following is a summary of the key terms under our Private Label model:

<i>Terms</i>	The agreement typically has a term of two years.
<i>Pricing and Fee Arrangements</i>	The price is generally specified in the purchase order with reference to the market price and through mutual negotiation.
<i>Acceptance</i>	The acceptance standards are generally set out in the purchase order. Our customer may reject or request replacement of the goods that are materially defective or not in conformity with such standards.
<i>Intellectual Property</i>	We own all the intellectual property rights relating to the goods.
<i>Credit Terms</i>	We grant our customer a credit period of 60 days upon acceptance of the goods and receipt of an invoice.

BUSINESS

<i>Product Return and Warranty</i>	The warranty period is typically specified in the purchase order. If the goods are found defective during the warranty period, we are required to provide maintenance services or replace the goods.
<i>Termination</i>	The agreements may be terminated by written notice of our customer in advance.
<i>Scope of Work</i>	We undertake the R&D, manufacture and delivery of the goods.
<i>Roles and Responsibilities</i>	We conduct R&D and manufacture of the goods in accordance to our internal specifications.
<i>Dispute Resolution</i>	Any dispute arising from or in connection with the agreement shall first be resolved through negotiation in good faith. If not resolved, it shall be submitted to the competent court for adjudication.
<i>Product Liability</i>	We are generally liable for any defects of the goods.

RESEARCH AND DEVELOPMENT

R&D Investment

In 2023, 2024 and 2025, our R&D expenses were RMB42.3 million, RMB63.8 million and RMB104.3 million, representing 24.1%, 7.4%, and 8.5% of our total revenue, respectively.

R&D Team

We operate two R&D centers in Suzhou and Beijing, respectively. As of December 31, 2025, our R&D team comprised 211 employees, representing approximately 45.1% of our total workforce. Over 31.8% of our R&D employees had an average of ten years of global industry experience, including experience gained at renowned multinational enterprises.

We also work closely with leading fabs and AI data centers of internet companies to develop integrated packaging solutions for SiPh optical transceivers, which have been successfully applied to customer projects and standardized for broader applications.

Our team has developed strong expertise in automation, chip-to-fiber coupling algorithms, high-yield process optimization, and silicon photonics integration, which allows us to achieve industry-leading yields and shorten production cycles. We have also actively promoted domestic substitution by gradually introducing domestically produced key equipment such as high-precision coupling tools and direct current testing systems, reducing costs while ensuring performance reliability.

Product Design and Development Process

Our R&D efforts cover the full spectrum of optoelectronic interconnection products. Leveraging our capabilities in silicon photonics, we have established a structured product development process to ensure efficient commercialization of innovations and reliable delivery to our customers.

BUSINESS

Product Planning and Proposal

We conduct market research and prepares a market demand study to identify potential customer requirements. Upon confirmation of demand, a project proposal is submitted, which sets out preliminary specifications, target pricing and expected customer requirements. This ensures that each new product development project is aligned with market trends and commercial viability.

Design and Development

Once a proposal is approved, our R&D team, together with the product management and project management teams, defines the technical requirements and prepares an overall project plan. Detailed design and prototype development then follow, covering key circuits, components and structural parts. Validation testing is carried out to ensure design soundness.

During this stage, our R&D team also prepares fixtures, tooling, automated testing equipment and relevant software to support further development.

Pilot-run Production

Following successful design validation, we conduct pilot-run production to verify consistency, manufacturability, materials readiness and process documentation. At this stage, process design specifications are refined and continuously updated. Trial production ensures that the product is ready for volume manufacturing by validating product maturity, cost efficiency and customer demand scalability.

Mass Production

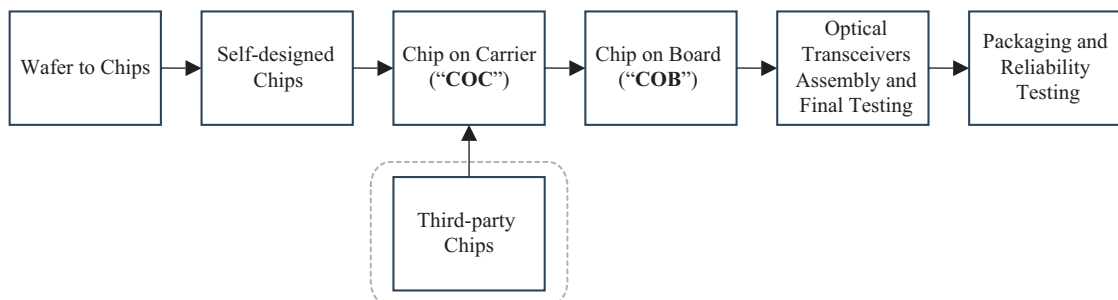
Upon completion of pilot-run production and reliability testing, products enter mass production. This stage involves full-scale implementation of automated production lines, real-time monitoring of key process indicators, and strict quality management to ensure stable and efficient output.

PRODUCTION

Production Process

Optical Transceivers

The following diagram illustrates the key production steps of our optical transceivers.



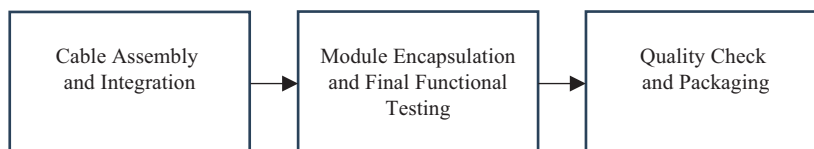
BUSINESS

- **Wafer to Chips.** In this stage, wafers are fabricated by third-party fabs based on our proprietary silicon photonics or integrated circuit designs. The processed wafers undergo wafer-level electrical testing to identify known-good dies, which are then thinned, diced, and sorted into individual chips. We utilize both self-designed chips and third-party chips to ensure flexibility, scalability and product diversity.
- **Chip on Carrier (“COC”).** In this stage, both our self-designed chips and third-party chips are mounted onto carriers through high-precision die bonding and wire bonding processes. The carrier acts as an intermediate substrate providing mechanical support, electrical interconnection, and thermal dissipation for the chips. The COC devices then undergo pre-burn-in and high-temperature burn-in tests, followed by post-burn-in reliability testing to ensure stability and device-level performance prior to board-level integration.
- **Chip on Board (“COB”).** In this stage, COC devices are further integrated onto PCBs through die bonding, wire bonding, optical alignment, and bench-level thermal assembly. Rigorous intermediate inspections and temperature cycling tests are conducted to identify and eliminate early-stage failures. Additional optical and electrical functional tests are performed to validate consistency and reliability. Only devices that pass quality control inspections are transferred to module-level assembly.
- **Optical Transceivers Assembly and Final Testing.** In this stage, COB subassemblies are integrated into complete optical transceivers. The process involves firmware configuration, feature tuning, and three-temperature testing to validate performance under various operating conditions. The assembled transceivers then undergo switch-insertion testing, labeling and coding, final visual inspection, and preparation for packaging.
- **Quality Check and Packaging.** In the final stage, the optical transceivers undergo random quality inspection covering electrical and optical performance, reliability, and appearance. Only products that pass the full suite of functional and quality tests are approved for shipment and customer delivery.

Through this structured production process, supported by multi-stage inspections and reliability testing, we are able to achieve high yields, ensure consistency, and deliver optical transceivers that meet the stringent performance and reliability requirements of global data communication networks.

AOC

The following diagram illustrates the key production steps of our AOC.



- **Cable Assembly and Integration.** Optical transceivers and optical fibers are pre-selected and prepared for assembly. The components are then integrated into AOC, which comprise fiber optic, connectors and mechanical housings.

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- ***Module Encapsulation and Final Functional Testing.*** After assembly, the cable assemblies are encapsulated or fully housed and undergo final functional testing. This primarily includes bit-error-rate testing and insertion-loss/return-loss measurement under temperature cycling at both high and low extremes. Only units that pass full reliability test suites are packaged for shipment.
- ***Quality Check and Packaging.*** Finished assemblies are labelled, serial-numbered and packed in protective trays or shipping cartons. A final quality inspection ensures correct marking, packaging integrity, and shipping checklist compliance. Finally, shipments are quality-sealed and released for delivery to customers.

Through this structured production process, supported by multi-stage inspections, environmental stress testing and real-time yield monitoring, we are able to achieve high manufacturing yields, maintain product consistency and deliver optoelectronic interconnection products that meet the demands of AI data centers.

Production Facilities

We generally produce optical transceivers supporting 400G, 800G and above interconnection speeds at our self-operated facilities, and we engage third-party production facilities for the production of (i) optical transceivers and (ii) AOC.

Self-Operated Production Facilities

The following sets forth our production facilities and their key operational information as of December 31, 2025.

Suzhou Production Facility

- GFA: approximately 9,277 square meters
- Main Function: primarily engaged in the production of optical transceivers, covering both SiPh-based single-mode and multimode products.

Nanjing Production Facility

- GFA: approximately 8,576 square meters
- Main Function: commencing production in September 2025, this facility is primarily engaged in the production of optical transceivers, focusing on SiPh-based single-mode and multimode products and AECs.

Beijing Production Facility

- GFA: approximately 2,895 square meters
- Main Function: this facility was under development as of the Latest Practicable Date, and is intended to be used for the design of SiPh chips, wafer-level testing, cutting and sorting.
- Development Status: as of the Latest Practicable Date, this facility was under renovation, and is expected to commence production in the third quarter of 2026.

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Nantong Production Facility

- GFA: approximately 44,779 square meters
- Main Function: this facility was under development as of the Latest Practicable Date, and is intended to be used for the automated production of high-speed optical transceivers and other optoelectronic interconnection products.
- Development Status: as of the Latest Practicable Date, the main structure of this facility was completed, and was pending acceptance inspection.

The following table sets forth details of the production capacity, production volume and utilization rate of our Suzhou production facilities for the periods indicated.

Year Ended December 31,								
2023			2024			2025		
Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾	Designed Production Capacity ⁽¹⁾	Actual Production Volume ⁽²⁾	Utilization Rate ⁽³⁾
<i>(in thousands, except for percentages)</i>								
1,314	776	59.1%	2,206	1,683	76.3%	2,519	2,120	84.2%

Notes:

- (1) Calculated as the maximum possible production volume for the relevant period, which is based on the number of production machines in operation, machine time for standardized products (assuming operations for 20 hours per day, 288 days per year for 2023, 2024 and 2025), and estimated yield rates for different products based on our historical records. The production volume of non-standardized products is adjusted by the production time that would otherwise be required to produce similar standardized products.
- (2) Calculated as actual production volume for the period divided by the designed production capacity for the same period.
- (3) The utilization rate during the period equals the actual production volume divided by the designed production capacity during the same period.
- (4) Our Nanjing production facilities commenced production in September 2025. Our Beijing and Nantong production facilities are yet to commence production. As such, their designed production capacity, actual production volume and utilization rate are not yet meaningful.

Third-party Production Facilities

We may, from time to time, engage third-party production facilities on a limited basis to supplement the production of certain optical transceivers and AOC, (i) when our internal capacity is fully utilized, or (ii) for mature products, primarily low-speed optoelectronic interconnection products. The production volume by third-party facilities as a percentage of total production volume (including both optical transceivers and AOC) was 0.2%, 4.3% and 10.6% in 2023, 2024 and 2025, respectively. As of December 31, 2025, we had collaborated with three such third-party facilities.

Such production is carried out strictly in accordance with our specifications. All key materials, including chips, PCBs and structural parts, are supplied directly by us. The production process is required to follow our detailed instructions, and our engineering employees are dispatched to provide on-site guidance. The quality control system adopted by the third-party production facilities must fully comply with our standards, and production data, including process status, yield rates and exceptions, are transmitted in real time and integrated into our systems, ensuring that all critical production information remains under our oversight. We plan to continue engaging third-party production facilities

BUSINESS

following the commencement of production at our new Nanjing base and the two additional production bases under development to supplement our production capacity. The use of third-party production facilities is expected to remain supplementary in nature.

Key Terms with Third-party Production Facilities

The following is a summary of the key terms of our agreements with third-party production facilities:

<i>Terms</i>	The agreements generally have a term ranging from two to five years.
<i>Design and Intellectual Property</i>	The third-party production facilities are required to manufacture according to our product design. We retain ownership of the intellectual property rights.
<i>Production, Personnel, and Facilities</i> .	The third-party production facilities are responsible for manufacturing the products based on our design and for arranging the necessary personnel and production facilities.
<i>Payment</i>	We generally settle our payments on a monthly basis with a credit term of 60 days.
<i>Supervision and Quality Control</i>	The third-party production facilities perform quality control in accordance with our requirements.
<i>Technology</i>	We provide the necessary production technologies to third-party production facilities.
<i>Roles and Responsibilities</i>	The third-party production facilities are responsible for manufacturing products in accordance with the specifications and standards agreed by the parties.
<i>Dispute Resolution</i>	Any dispute arising from or in connection with the agreement shall first be resolved through negotiation in good faith. If not resolved, it shall be submitted to the competent court for adjudication.
<i>Product Liability</i>	Where products manufactured by third-party production facilities do not comply with the agreed specifications or standards, we may reject or return such products, with the relevant costs borne by the third-party production facilities.
<i>Termination</i>	The agreements may be terminated with mutual agreement of parties.

OUR TECHNOLOGIES

Major Technologies in Product Research and Development

The key technologies that we have adopted in our product research and development include, but are not limited to, the following:

- ***SiPh Chip Design.*** We have developed and maintained our device libraries, which underpin our silicon photonics technology. By combining multi-physics simulations (covering electromagnetic, thermal, and photoelectric effects) with empirical wafer test data, we continuously refine device models to ensure design accuracy and manufacturing robustness. Leveraging our device libraries, we design SiPh chips from architecture definition to layout verification, and collaborate with fabs to achieve high-yield wafer fabrication and stable mass production through closed-loop feedback and process optimization.
- ***Optical and Electrical Design.*** We integrate optical and electrical design capabilities to improve coupling efficiency, signal integrity and overall transmission performance. Our proprietary design libraries and simulation models support rapid iteration and high-precision optimization.
- ***Mechanical and Structural Design.*** We focus on miniaturization, thermal management and modular integration. Our standardized component library and mechanical design tools enable scalable production and consistency in product performance.
- ***Firmware and Automation.*** We develop embedded firmware that ensures multi-protocol interoperability, real-time monitoring and intelligent control over optical/electrical conversion, temperature and power management.
- ***Advanced Manufacturing and Automation.*** We have established automated wafer testing and packaging systems as well as AI-enabled production lines to ensure high yield, quality consistency and traceability throughout the manufacturing process. Our WIMO integration enables a seamless flow from silicon wafer input to optical transceiver output under a digitized manufacturing environment.
- ***Fabrication Process Lab.*** During the design verification stage, we conduct comprehensive evaluations on fabrication processes, including process adhesive strength assessment, Fourier-transform infrared spectroscopy testing, viscosity testing, differential scanning calorimetry testing and die shear testing. These evaluations ensure the reliability and stability of key materials and process parameters prior to mass production.
- ***Reliability Lab.*** We perform full reliability testing before mass production, including high-temperature operating life (“HTOL”), temperature cycling, biased damp heat, electromagnetic interference, and electrostatic discharge tests, as well as other mechanical reliability evaluations. In addition, we have established dedicated reliability test platforms for optoelectronic and SiPh chips, including chip-level HTOL and large-optical-input endurance testing.
- ***System Compatibility Testing Platform.*** Following design verification of products under development, we conduct extensive system compatibility testing to validate product performance across different network environments. Products are tested with network interface cards, switches and other application-specific network equipment from various brands to ensure that both hardware performance and firmware functionality are fully compatible with diversified customer network scenarios.

BUSINESS

We are in the process of upgrading and expanding the production capacity of our manufacturing facilities with a focus on automation and digitalization. Our intelligent manufacturing system is applied throughout our key production processes, including optical transceivers assembly, packaging and testing, enabling real-time data connectivity and process optimization across the manufacturing chain. Following the upgrade of our manufacturing processes for our typical products, our automation rate increased from approximately 55% to over 70%, with less than 30% of the processes performed manually.

Through the deployment of integrated information systems, including our supplier relationship management (“SRM”), warehouse management system (“WMS”), manufacturing execution system (“MES”) and quality management system (“QMS”), we have digitalized key stages of procurement, production, logistics and quality management. Customers are able to access and interact with our MES system for information sharing and efficient decision-making.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

We primarily procure raw materials, including chips, PCBs, structural parts and optical fibers, from third-party suppliers for our production. We source raw materials from China and certain overseas countries. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage of, or quality issues with, our raw materials.

Inventory Management

We actively manage our inventory to avoid under- or over-stocking. Our production schedules are largely order-oriented and, therefore, we are generally not exposed to significant over-stocking risk. Based on our production and sales progress, we review our inventory levels and adjust our raw material procurement budget plans on a monthly basis to maintain our inventory of raw materials at an appropriate level. Our procurement department generally holds monthly meetings to analyze the buildup and consumption of inventory, which provides more visible guidance on our production and sales activities.

Supplier Selection and Management

We typically engage reputable suppliers to ensure the quality of our products. We have a comprehensive evaluation system for selecting suppliers. We also evaluate the performance of our suppliers on a quarterly and annual basis, focusing on criteria that including raw material quality, price, service and delivery. We maintain a list of qualified suppliers. As of December 31, 2025, we collaborated with 287 suppliers.

Our Major Suppliers

During the Track Record Period, our suppliers primarily consisted of global and domestic providers of electronic components, optical and electrical parts, printed circuit boards and semiconductor devices.

In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB157.3 million, RMB683.3 million and RMB864.3 million, respectively, representing 62.6%, 72.5%, and 56.6% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 24.9%, 29.8%, and 28.4% of our total purchases in 2023, 2024 and 2025, respectively.

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During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, all of our five largest suppliers were Independent Third Parties, and none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of our Directors owned more than 5% of our Company's issued share capital) had any interest in any of our five largest suppliers.

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period.

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of product/services provided	Year of commencement of business relationship
		(RMB'000)			
For year ended December 31, 2023					
1	Supplier A ⁽¹⁾	62,543	24.9	Electrical chips	2015
2	Supplier B ⁽²⁾	47,481	18.9	Optical chips, electrical chips, and auxiliary and consumable materials	2023
3	Supplier C ⁽³⁾	23,464	9.3	Optical chips, electrical chips, transceivers, auxiliary and consumable materials, and factory automation and structural components	2017
4	Supplier D ⁽⁴⁾	14,629	5.8	Optical chips	2015
5	Supplier E ⁽⁵⁾	9,161	3.6	Electrical chips	2022

Notes:

- (1) A semiconductor company engaged in the development and marketing of integrated circuit products, headquartered in New Taipei City, Taiwan.
- (2) A private company headquartered in New Taipei City, Taiwan. It is a distributor specializing in the wholesale of electronic components and communication equipment.
- (3) A private company headquartered in Illinois, the United States. It is a manufacturer of electronic, electrical, and fiber optic connectivity systems.
- (4) A private company headquartered in Hong Kong. It is a value-added supplier of electronic components and solutions in the fields of fiber optic communications and laser processing.
- (5) A private company headquartered in Hong Kong. It is an importer and wholesaler focused on electronic components, particularly integrated circuits and related semiconductor products for global supply chains.

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of product/services provided	Year of commencement of business relationship
		(RMB'000)			
For year ended December 31, 2024					
1	Supplier B	280,812	29.8	Optical chips and electrical chips	2023
2	Supplier A	257,038	27.3	Electrical chips, electronic materials, and other integrated circuit chips	2015

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Rank	Supplier	Purchase Amount (RMB'000)	Percentage of total purchase	Type of product/services provided	Year of commencement of business relationship
3	Supplier D	67,027	7.1	Optical chips and other integrated circuit chips	2015
4	Supplier C	60,341	6.4	Electrical chips, transceivers, optical chips, factory automation and structural components, and auxiliary and consumable materials	2017
5	Supplier F ⁽¹⁾	18,077	1.9	Electrical chips	2012

Note:

- (1) A private company headquartered in Hong Kong. It is a value-added distributor of semiconductors and electronic components, with emphasis on datacom, telecom, video processing, and high-end consumer electronics applications.

Rank	Supplier	Purchase Amount (RMB'000)	Percentage of total purchase	Type of product/services provided	Year of commencement of business relationship
<i>For year ended December 31, 2025</i>					
1	Supplier A	433,029	28.4	Optical chips	2015
2	Supplier B	226,336	14.8	Optical chips and electrical chips	2023
3	Supplier D	82,693	5.4	Electrical chips	2015
4	Supplier G ⁽¹⁾	75,230	4.9	Transceivers components	2025
5	Supplier H ⁽²⁾	46,998	3.1	Electrical chips	2024

Notes:

- (1) A private company headquartered in Zhangzhou, Fujian, China. It is a technology provider specializing in network solutions and related software and hardware for connectivity and data management systems.
- (2) A private company headquartered in Zibo, Shandong, China. It is a trading company engaged in the import, export, and distribution of industrial materials and electronic components, supporting supply chains in manufacturing and technology sectors.

Key Terms of Agreements with Major Suppliers

The following is a summary of the key terms of our agreements with our major suppliers:

<i>Terms</i>	Our procurement agreements with our major suppliers generally do not have a fixed term.
<i>Pricing and fee arrangements</i>	Depending on the type of raw material and supplier, prices are determined with reference to prevailing market conditions and are specified in the agreements.
<i>Quality guarantee</i>	Our suppliers are responsible for product quality and compliance with our specifications.

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<i>Delivery</i>	Our suppliers are responsible for proper packaging and on-time delivery to the designated locations.
<i>Credit terms</i>	Our suppliers generally grant us a credit period of 60 days commencing from the date of invoice.
<i>Product return</i>	We are entitled to return defective raw materials that do not meet the agreed quality standard, and the suppliers are required to remedy any resulting loss or damage.
<i>Termination</i>	We are entitled to terminate the procurement agreements if a supplier fails to deliver goods within the agreed timeframe.

Overlapping Customers and Suppliers

During the Track Record Period, one of our top five customers was also among our top five suppliers. This overlap occurred primarily because such customer/supplier is a manufacturer of electronic, electrical, and fiber optic connectivity systems that both supplies certain optical components to us and purchases optoelectronic interconnect products from us for its own system integration projects.

According to Frost & Sullivan, the ODM model is common in the industry, where manufacturers design and produce products based on customers' specifications and requirements, while the final products are marketed and sold under the customers' own brands. All sales to and purchases from this customer and supplier were negotiated through separate processes, conducted in the ordinary course of business, and carried out on commercial terms that were negotiated at arm's length.

During the Track Record Period, Customer A/Supplier C was among our five largest customers and five largest suppliers. We primarily provided AOCs and optical transceivers to, and procured optical chips, electrical chips, and other integrated circuit chips from Customer A/Supplier C. In 2023, 2024 and 2025, Customer A/Supplier C contributed 48.3%, 13.5% and 7.3% of our total revenue, respectively, and 9.3%, 6.4% and 1.5% of our total purchase, respectively. Our sales and purchase arrangements with Customer A/Supplier C are not inter-conditional or otherwise linked. All sales to and purchases from Customer A/Supplier C were conducted in the ordinary course of business, carried out on commercial terms that were negotiated at arm's length, and were not inter-conditional or otherwise linked. As Customer A is our overseas customer, the gross profit margin of transactions with our sales to it is generally higher than that of other domestic customers.

The following is a summary of the key terms of our sales agreements with Customer A/Supplier C:

<i>Terms</i>	Our sales agreement has no fixed term and continues in effect unless terminated pursuant to its terms.
<i>Pricing</i>	Prices are determined by mutual agreement with reference to prevailing market prices and applicable orders. The pricing arrangements provide for adjustments to ensure consistency with prices offered to comparable third-party customers.
<i>Delivery</i>	We are responsible for proper packaging and timely delivery of the products to the designated locations.
<i>Credit Terms and Payment</i>	35-40 days from the invoice date or receipt of goods.

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<i>Product Return and Warranty</i>	Five years. If the products are found defective during the warranty period, our customer may reject or revoke acceptance of the goods, or retain the goods with a price deduction.
<i>Termination</i>	The agreements may be terminated by written notice of either party under certain circumstances.

The following is a summary of the key terms of our purchase agreements with Customer A/Supplier C:

<i>Terms.</i>	Our sales agreement has no fixed term and continues in effect unless terminated pursuant to its terms.
<i>Pricing.</i>	Prices are determined by mutual agreement based on quantity and specifications.
<i>Credit Terms and Payment.</i>	90-day credit period.

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We recorded loss of RMB108.6 million, RMB17.9 million and RMB100.1 million in 2023, 2024 and 2025, respectively, primarily because we were in the course of a strategic transition from lower-speed products to higher-speed products during the Track Record Period. We had historically demonstrated profitability in 2020 and 2021 when our business was primarily focused on more mature 100G-and-below products, which experienced strong market demand at the time, according to our management account. However, since 2022, as we identified the growing opportunities arising from AI data centers and SiPh technology, we have transited to establish a product portfolio centered on high-speed optoelectronic interconnection technologies. Such transition has temporarily affected our profitability during the Track Record Period, which was generally consistent with the industry trend, as confirmed by Frost & Sullivan. In particular:

- (i) we recorded gross losses in 2023 primarily due to the change in the focus of our product portfolio, as we sold a higher proportion of lower-speed products, including optical transceivers and AOC, such activities to reduce inventory levels. Though we had commenced production and sales of our higher-speed products, including optical transceivers and AOC, such activities were still at a ramp-up stage and had not yet achieved optimal production scale or cost efficiency. From 2024 onwards, our gross profit margin subsequently turned positive, primarily driven by the realization of economies of scale and higher manufacturing efficiency resulting from increased production volume and capacity utilization; and
- (ii) despite that we have recorded gross profits in 2024 and 2025, we recorded net losses during the same years because we incurred substantial R&D expenses during the Track Record Period. Our R&D investments, including those in establishing new production facilities in Nanjing and Beijing, were primarily made to support our long-term business strategy of advancing higher-speed technologies and commercializing higher-speed products as our key competitive foundation. In particular, we have focused our R&D resources on 1.6T SiPh optical transceivers, advanced optoelectronic interconnection products and AEC products. These R&D efforts support the commercialization and mass production of the relevant products and provides a common technology foundation for subsequent product iterations and adjacent product categories. As we continuously advanced our technologies and expanded the scale of commercialization, our R&D efficiency improved significantly — our R&D expenses as percentage of our revenue significantly decreased since 2023.

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Although the benefits of such transition and ramp-up had yet to be fully realized during the Track Record Period, we have seen strong revenue growth and improving economies of scale following the inflection point in the commercialization of our R&D output in 2023. We expect to further improve our financial performance and achieve profitability through (i) continuous revenue growth, (ii) enhanced cost efficiency, and (iii) disciplined management of operating expenses.

Driving Continuous Revenue Growth

During the Track Record Period, our revenue increased significantly. In 2023, 2024 and 2025, we recorded revenue of RMB175.3 million, RMB861.8 million, and RMB1,221.1 million, respectively. Such trend reflects increasing market adoption of our products and the progressive commercialization of higher-speed solutions.

We expect to sustain this growth momentum through the following initiatives:

Growing with the Market

Since 2022, the rapid rise of artificial intelligence has sharply increased global demand for computing power, driving major technology companies to expand and upgrade AI data-center infrastructure worldwide. As AI data centers scale, their network architectures have become more complex and data-intensive, requiring significantly higher bandwidth, density and energy efficiency to sustain overall computing performance.

To meet these evolving requirements, AI data-center networks are accelerating the transition toward next-generation optoelectronic integration technologies. Optoelectronic interconnection products, particularly those based on SiPh, have become essential to support this AI-driven technological evolution, creating substantial growth opportunities across the industry.

The global AI optical transceiver market size grew from RMB7.0 billion in 2021 to RMB71.8 billion in 2025, with CAGR of 79.0%, according to Frost & Sullivan. To keep growing with the market expansion, we have established long-term relationships with both domestic and overseas customers by closely aligning our optoelectronic interconnection products with customers' evolving needs and will continue expanding our customer base.

Overseas Expansion

During the Track Record Period, we began to optimize our operation in overseas markets, where customers generally demonstrate higher pricing acceptance. Below sets forth our gross profit margin in mainland China and overseas market during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
China Mainland	(30.7)	8.9	6.9
Overseas market	(8.0)	19.3	28.0
Overall	(17.9)	11.8	9.0

We have been consolidating and scaling up our existing product offerings in overseas markets, while actively advancing market qualification and customer certification processes for other higher-speed products to meet overseas customer requirements, thereby supporting additional revenue growth. Aside from our overseas customer base during the Track Record Period, we have been actively expanding our overseas market and entered into (i) a five-year ODM collaboration agreement with a leading U.S. semiconductor technology provider in November 2025 and (ii) a three-year JDM collaboration agreement with a major U.S. optical connectivity provider in February 2026.

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We implemented a structured overseas expansion strategy focusing on customer coverage, channel development and brand visibility, supported by international partners and distributors. As overseas customers generally demonstrate a higher acceptance of our pricing as compared with the domestic market, gross profit margins generated from sales to overseas market are expected to be higher, which is primarily attributable to (i) a comparatively more favourable competitive landscape in overseas markets with higher market entry barriers and a more established industry structure; and (ii) a higher proportion of high-speed and higher-value products, including 800G and 1.6T optical transceivers, in our overseas sales mix, driven by stronger demand from overseas data center customers. We therefore consider overseas expansion to be a key driver of our future performance.

Deepening Collaboration with Customers

During the Track Record Period, leveraging our end-to-end technological capabilities, we became a JDM partner with leading Chinese internet companies, thereby establishing high market-entry barriers. The JDM model allows us to engage deeply with customers throughout the product development process, aligning our R&D roadmap with their most advanced technological needs. Such close collaboration fosters long-term customer stickiness and recurring revenue, while ensuring the market relevance and quality of our new products.

We have initiated its JDM collaboration model since 2022. During the Track Record Period, the depth of our cooperation with existing customers was further evidenced by the increasing revenue contribution from our key customers, reflecting closer collaboration and growing customer reliance on our products. Leveraging our proprietary technology, our collaboration with key customers covers a wide range of 200G, 400G and 800G optical transceivers and AOC products, with sales increasing alongside customers' data-center upgrades. In 2023, 2024 and 2025, we recorded revenue of RMB42.8 million, RMB489.4 million, and RMB552.2 million under the JDM model, representing 24.4%, 56.8%, and 45.2% of our total revenue during the same period, respectively. We intend to keep expanding and deepening cooperation with major customers under JDM model via early-stage involvement in such customers' R&D and project design with fast customization and iteration capabilities to form long-term partnerships with high customer stickiness.

In parallel, both the number of non-JDM customers and the revenue contribution from non-JDM customers increased, demonstrating improving commercialization maturity and broader market acceptance of our proprietary-branded optical module products, which also strengthened our positioning in the AI-driven high-speed interconnection market.

Our client acquisition strategy is built on coordinated market outreach, service capability enhancement and structured sales execution. From a market development perspective, we plan to increase participation in industry associations and professional exhibitions organized by downstream customers, and to conduct targeted marketing and product training initiatives for specific industry segments with differentiated technical requirements, such as high-performance computing and AI-related applications. On the customer service front, we intend to further strengthen our technical service framework by enhancing pre-sales and after-sales technical support capabilities and offering a broader range of value-added services, including testing support, development cooperation and application-level integration, to improve customer experience and support long-term cooperation. From a sales execution perspective, we aim to broaden channel coverage through a more structured distribution network, supported by clear distribution policies that encourage channel partners to provide sales, technical and service support. We also plan to refine customer segmentation and adopt tailored sales and service approaches for different industry ecosystems and application scenarios, with dedicated resources assigned to key customer groups, to improve customer acquisition efficiency and relationship sustainability.

We collaborated with 52, 81 and 113 customers in 2023, 2024 and 2025, respectively, reflecting the expansion of our customer base and increased adoption of our products in response to growing AI-driven data-center demand. The onboarding of new customers reflects increasing market recognition of our products in terms of technical performance, reliability and commercialization capability. Such ecosystem-oriented cooperation enhances the adaptability and scalability of our product solutions, supports long-term customer relationships and contributes to the formation of a more resilient business ecosystem around our products.

In addition, we plan to further leverage our expanded capacity to explore overseas markets. Overseas customers generally demonstrate higher pricing acceptance, which is expected to enhance our overall profitability and further strengthen our cost-efficiency advantages. To support our long-term growth in overseas markets, we have formulated a structured overseas expansion strategy focused on strengthening customer coverage, channel development and brand visibility. We plan to enhance our overseas commercial presence in key international markets and improve our ability to engage directly with overseas customers and partners, while leveraging our domestic operational platforms to better support overseas channels and international collaboration. In parallel, we intend to broaden our overseas distribution network by developing relationships with system integrators, data-center solution providers and other industry partners, and to increase participation in international industry exhibitions and technical events to expand market awareness and identify potential business opportunities.

Continuing to Create Value and Expanding SiPh and Optoelectronic Co-Packaging Capacity to Meet Customers' Demand

We continue to create value for our customers through ongoing innovation, performance optimization, and tailored solutions that meet their evolving needs. As customers scale up their AI computing power, their demand for our products increases accordingly, creating recurring and incremental revenue opportunities beyond initial sales. We will continue to advance our existing product portfolio by solidifying sales of 400G optical transceivers and further scaling up of sales of 800G optical transceivers.

Our next-generation R&D efforts, including 1.6T SiPh optical transceivers and 3.2T and 6.4T optoelectronic chips designed for SiPh-based NPO and CPO applications, involve a high level of technical complexity and present significant challenges for the industry, creating substantial entry barriers. These advancements enhance our appeal to leading customers. Compared to 400G SiPh optical transceivers, the transition to 1.6T SiPh optical transceivers involves the following key differences:

- **Manufacturing processes**

1.6T SiPh optical transceivers require higher levels of integration and manufacturing precision. In particular, they generally involve higher channel density, more advanced optical coupling, more precise PCB assembly and more sophisticated packaging processes. Therefore, while the core SiPh manufacturing platform remains substantially consistent with our existing 400G products, the process control requirements for 1.6T products are more stringent.

- **Equipment requirements**

1.6T SiPh optical transceivers require upgraded or additional equipment in certain production and testing steps. These include higher-speed testing systems, advanced optical coupling equipment, higher-precision SMT equipment and packaging-related equipment capable of supporting higher-density and higher-speed products. The purpose of these upgrades is to support more precise assembly, better thermal control and more reliable high-speed signal testing.

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- Quality control standards

1.6T SiPh optical transceivers are subject to higher quality control standards because they operate at higher transmission speeds and with greater channel density. Compared with 400G products, 1.6T products require tighter control over optical loss, channel consistency, assembly accuracy, thermal performance and high-speed signal integrity. These standards are necessary to ensure product stability, reliability and production yield during customer validation and future mass production.

The SiPh chips for 1.6T products can be manufactured on our existing 12-inch wafer platform and supported by our existing wafer production capacity with the process optimization and more stringent quality control measures described above implemented.

Our planned production transition is expected to proceed in phases: (i) in 2025, we have maintained stable production of 400G products while implementing selective equipment upgrades on existing production lines to support increasing 800G and 1.6T production demand, complete key process validation and further support customer qualification and sampling activities and (ii) from the first half of 2026 through 2027, subject to customer qualification and market demand, we expect to gradually transition certain major production lines from 800G products to 1.6T products and progressively ramp up 1.6T production capacity. We will also engage third-party production facilities where necessary to supplement our production capacity during the ramp-up process. For our expected additional investments and implementation timeline, please refer to “FUTURE PLANS AND USE OF PROCEEDS.”

We believe that this planned transition timeline generally corresponds with the expected market adoption cycle for next-generation optical transceiver products, which we understand involves relatively stable demand for 400G products in 2025, broader deployment of 800G products during 2025 and 2026, and increasing adoption of 1.6T products from 2026 onward, particularly in AI data center and next-generation AI cluster interconnect applications.

The table below sets forth a comparison of our technologies, product performance and market positioning against industry benchmark, according to Frost & Sullivan, illustrating our competitive position in the development and commercialization of next-generation SiPh optical transceivers.

1.6T SiPh Optical Transceiver Comparison

Technical Dimension	The Company	Industry Average
Transmitter and Dispersion Eye Closure Quaternary (TDECQ)	<3.4dB	<3.5dB
Extinction Ratio	>3.5dB	>3.2dB
Power Consumption	<26w	<30w

Source: Frost & Sullivan

Note: Transmitter and Dispersion Eye Closure Quaternary (TDECQ) is a metric measuring PAM4 signal eye closure loss caused by transmitter defects and chromatic dispersion. A lower TDECQ indicates less signal distortion and superior transmission performance. Extinction Ratio is the ratio of high-level to low-level output optical power for assessing modulation contrast. A higher extinction ratio stands for clearer optical signal and better signal integrity. Power Consumption is total operating power draw of optical transceivers under standard working conditions. A lower power consumption helps cut operational costs and improve energy efficiency.

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Our 1.6T SiPh optical transceivers have entered the customer validation stage and are expected to complete validation by the end of the third quarter of 2026 and commence revenue generation in 2026. The SiPh chips required for NPOs applications have completed the design phase and entered tape-out.

Managing Costs

During the Track Record Period, we achieved a significant improvement in gross profit, primarily because our cost of sales did not increase in proportion to revenue growth. Meanwhile, we have also enhanced manufacturing capabilities through production planning, materials management and efficient production.

Economies of scale

As our production capacity expanded, we benefited from economies of scale through bulk procurement and optimized material sourcing, which reduced unit production costs and improved overall manufacturing efficiency. We have continued to optimize our capacity allocation and production scheduling to improve capacity utilization and support larger-scale deliveries, thereby reducing fixed costs on a per-unit basis. In addition, our growing order volumes have enhanced our purchasing power, enabling us to procure raw materials at more favorable terms. In 2023, 2024 and 2025, the unit cost of our major products, 400G optical transceivers, decreased by 8.9%, 26.4% and 26.1%, respectively, as compared with the previous year. As a result, we recorded gross loss margin of 17.9% in 2023, which improved to gross profit margin of 11.8% and 9.0% in 2024 and 2025, respectively.

Enhanced manufacturing capabilities through production planning, materials management and efficient production

We have enhanced our manufacturing capabilities through more systematic production planning, materials management and lean production initiatives. Our planning department determines procurement requirements based on customer orders, sales forecasts, inventory levels and suppliers' delivery lead times through our ERP system. This improves the matching of materials procurement with actual production demand, reduces the risk of excess inventory and material shortages, and supports shorter inventory turnover days. Our supply chain team coordinates materials procurement and has established multi-source arrangements for key materials. By reducing reliance on any single supplier and improving supply continuity, these arrangements help reduce the risk of production disruption caused by material shortages and support more stable capacity utilization. We also conduct quarterly and annual supplier reviews and require new materials to pass reliability, performance and other verification procedures before mass procurement. These measures help stabilize material quality, reduce process disruptions and support yield improvement.

Our production schedules are prepared on a weekly and monthly basis according to product orders, while capacity utilization is monitored based on standard working hours. This enables us to compare actual output against standard capacity, identify under-utilized or overloaded processes and adjust labor and production line arrangements more effectively. We design and improve production lines around bottleneck workstations. During mass production, we continue to optimize bottleneck processes through automation, production line balancing, testing algorithm optimization and yield improvement projects. We also focus on skill training for our employees. In 2026, each manufacturing staff held an average of 3.2 skills, representing an increase of 1.1 skills as compared with 2025. This improved flexibility in staffing allocation and reduced efficiency loss caused by uneven workload across production lines or temporary changes in production schedules.

These initiatives increase line throughput, reduce unit labor hours and improve the stability of mass production. In 2025, we have streamlined 75 production projects, covering automation initiatives such as automatic screw fastening and automatic dispensing, process optimization initiatives such as

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testing algorithm optimization and production line balancing, and yield improvement initiatives such as material design optimization and material changes. These projects reduced comprehensive working hours for mass-produced products by more than 15%.

As a result of these efforts, our gross profit margin improved from negative 17.9% in 2023 to 9.0% in 2025, reflecting both product mix optimization, driven by the increasing contribution of higher-margin SiPh optical transceivers, and enhanced operational efficiency and cost discipline.

Improving Efficiency

During the Track Record Period, we incurred substantial expenses, particularly research and development expenses in connection with the development of higher-speed next-generation products. Nevertheless, our expenses incurred as a percentage of revenue generally demonstrated a downward trend as our business continued to scale during the Track Record Period. Our total operating expenses as a percentage of revenue decreased from 41.3% in 2023 to 12.2% in 2024, reflecting improved cost efficiency. Our total operating expenses as a percentage of revenue subsequently increased to 16.1% in 2025, primarily due to non-operating factors, including (i) our increased professional service fees in connection with our proposed listing, and (ii) our increased share-based payments. The increased operating efficiency was primarily attributable to our significant growth in revenue and disciplined cost control measures during the Track Record Period. Going forward, as our revenue continues to scale, we will further strengthen our capabilities across research and development, sales and marketing, and administrative management to enhance overall operational efficiency and support sustainable long-term growth.

In particular, we intend to further enhance our operating efficiency through the following measures, which have already contributed to the improvement of our operating efficiency during the Track Record Period:

Improved R&D efficiency resulting from commercialization of R&D results

During the Track Record Period, the commercialization of our R&D results reached an inflection point and contributed significantly to our revenue growth. In 2023, 2024 and 2025, we recorded research and development expenses of RMB42.3 million, RMB63.8 million, and RMB104.3 million, respectively, representing 24.1%, 7.4%, and 8.5% of our revenue during the same year respectively. In particular, our collaboration with leading foundries and AI data center customers enabled us to develop and commercialize standardized products and solutions. Our accumulated technical know-how also supported higher production yields and shorter manufacturing cycles, which enhanced the commercial viability of our products. We believe these capabilities and solutions are replicable across comparable customer projects, and are expected to support a stable order pipeline under our ongoing customer collaborations.

In addition, to improve R&D efficiency while maintaining technological competitiveness, we have adopted a platform-based development approach for our high-speed optical module products. Under this approach, hardware circuits, optical structures, firmware protocols, test cases and bill of materials (“BOM”) libraries developed for existing 400G, 800G and 1.6T products can be reused in subsequent projects with comparable technical requirements. Such reuse reduces duplicated design and verification work, shortens the development cycle for products of the same type and allows our R&D personnel to focus more resources on next-generation products such as 3.2T and 6.4T products.

We have also introduced parallel engineering and stage-gate review mechanisms. Process, production, testing and quality teams participate at the product design stage to conduct manufacturability, testability and reliability reviews. By identifying process risks, structural issues and testing requirements before later-stage development, such measures reduce the number of design

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iterations, lower rework costs and support faster yield ramp-up when products enter mass production. We also maintain change control notice mechanisms to reduce delays and rework caused by uncontrolled changes in product requirements or technical specifications. In addition, we have built standardized and automated testing procedures. Automated and standardized testing improves data consistency, reduces manual testing workload and shortens verification cycles, thereby supporting faster customer qualification and commercialization of R&D outputs.

Increased sales efficiency under the JDM model

We have enhanced efficiency of our sales activities under our JDM model by deepening collaboration with key strategic customers and focusing on high-quality, long-term engagements. In 2023, 2024 and 2025, we recorded selling and marketing expenses of RMB7.7 million, RMB10.1 million and RMB15.8 million, respectively, representing 4.4%, 1.2%, and 1.3% of our revenue during the same year respectively. We will continue to engage with key strategic customers under the JDM model, and allocate sales resources toward projects with higher conversion certainty and scalability, which will enable us to effectively control upfront customer acquisition costs and establish stable, long-term customer relationships.

Optimization of administrative functions through digitalized internal control and financial systems

In 2023, 2024 and 2025, we recorded administrative expenses of RMB22.5 million, RMB30.9 million, and RMB74.1 million, respectively, representing 12.8%, 3.6%, and 6.1% of our revenue during the same year respectively, with the increase in 2025 primarily attributable to non-operating factors.

We have adopted financial and operating management system and plan to implement a unified office automation (“OA”) collaborative office platform. These systems are expected to embed budget control, expense approval, procurement coordination and data reporting into standardized digital workflows. We will further streamline internal processes, enhance data integration across departments, and improve real-time monitoring of key operating metrics and expenses. In addition, we intend to standardize approval procedures and strengthen budget management to ensure more disciplined cost control.

Through digitalized and system-based budget control, expenses can be checked against approved budgets before commitments are made, which reduces the risk of excess spending and improves budget execution discipline. Digitalized approval workflows standardize approval authority and procedures, reduce manual intervention and shorten internal approval cycles. Integrated financial and operational data also allow management to identify deviations in manufacturing expenses, procurement costs, inventory levels and departmental spending on a more timely basis, enabling earlier corrective actions. Through these initiatives, we expect to improve administrative efficiency, reduce redundant processes and costs, and support scalable growth with a more efficient organizational structure.

As our business continues to scale, these digitalized systems are expected to allow us to process a larger volume of procurement, production, financial and administrative activities without a proportionate increase in administrative headcount or manual processes. Accordingly, we expect such systems to support sustainable cost savings and operating leverage by reducing redundant procedures, improving expense visibility and enhancing the scalability of our internal management functions.

These factors collectively contributed to our narrowing loss margin from 2023 to 2024, with loss margins of 61.9% and 2.1% in 2023 and 2024, respectively. Our loss margin increased from 2.1% in 2024 to 8.2% in 2025, primarily because our gross profit margin decreased from 11.8% in 2024 to 9.0% in 2025 primarily due to the intensified competition in the domestic high-speed optical receiver market,

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resulting in lower unit prices. Notwithstanding the foregoing, we expect our profitability to improve over time, primarily driven by the expansion of our overseas markets and enhanced economies of scale as our business continues to grow.

SALES AND MARKETING

Our Sales Network

The following table sets forth our revenue breakdown by sales channels for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Direct sales	170,801	97.4	823,149	95.5	1,000,335	81.9
Distributors	4,537	2.6	38,683	4.5	220,728	18.1
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

The following table sets forth a breakdown of our revenue by geographical locations, in absolute amounts and as percentages of our total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
North America						
— the U.S..	84,784	48.4	121,207	14.1	93,798	7.7
Asia						
— Chinese mainland.	76,124	43.4	623,555	72.4	1,099,262	90.0
— Malaysia	—	—	108,865	12.6	13,690	1.1
— Rest of Asia	11,790	6.7	5,539	0.6	9,705	0.8
Europe and others.	2,640	1.5	2,666	0.3	4,608	0.4
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

The following table sets forth a breakdown of our gross (loss)/profit and gross (loss)/profit margin by geographical locations for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Chinese Mainland.	(23,391)	(30.7)	55,717	8.9	75,612	6.9
Overseas	(7,913)	(8.0)	46,096	19.3	34,144	28.0
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Please see “Financial Information — Results of Operation — Gross (Loss)/Profit and Gross (Loss)/Profit Margin” for more details.

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Direct Sales

We sell our products primarily through our direct sales team, which engages directly with customers to gain a first-hand and comprehensive understanding of their needs and the latest market trends.

Our direct sales customers mainly comprise (i) end users who purchase our products directly, and (ii) system integrators that typically incorporate our products into their own solutions to meet the specific requirements of end users. In 2023, 2024 and 2025, we cooperated with 16, 14 and 28 of system integrators, respectively.

The following table sets forth our revenue breakdown by end users and system integrators, in absolute amounts and as percentages of our total revenue from direct sales, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
End users	151,405	88.6	493,446	59.9	550,261	55.0
System integrators	19,396	11.4	329,702	40.1	450,074	45.0
Total	170,801	100.0	823,149	100.0	1,000,335	100.0

Certain end users, particularly those in the internet industry, prefer to engage system integrators when selecting suppliers or service providers, so as to avoid negotiating with multiple suppliers and to benefit from the integrated services offered by such system integrators. These end users usually define their project objectives and budgets and entrust system integrators, rather than us directly, to implement their projects. System integrators typically embed our products into their solutions to cater to end users' needs. According to Frost & Sullivan, engagement with end users through system integrators is an industry norm.

Although system integrators are not end users, we do not consider they are distributors. System integrators are not engaged by us to expand our sales channels; rather, they are appointed by end users to deliver project implementation. The ultimate decision as to the choice of product or service provider rests primarily with the end users. When we enter into a contract with a system integrator, such system integrator is recognized as our customer for accounting purposes. Accordingly, we do not consider the system integrators to be our distributors, and our business model does not give rise to concerns relating to inventory risk, channel cannibalization or recoverability of accounts receivables.

Distributors

We sold our products through distributors during the Track Record Period, which is in line with the industry norm, according to Frost & Sullivan. We maintain seller-buyer relationships with distributors.

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The following table sets forth the movement in the number of our distributors during the periods indicated.

	Year Ended 31 December,		
	2023	2024	2025
As of the beginning of the period	3	4	7
Addition of new distributors	1	3	1
Termination of distributors ⁽¹⁾	—	—	1
As of the end of the period	4	7	7

Note:

(1) Represents distributors did not generate revenue to us during the corresponding period.

We generally do not enter into long-term agreements with our distributors, who typically purchase our products on a purchase order basis. Payment terms vary depending on several factors, including transaction size, product type and purchase volume. Distributors are usually required to pay a fixed upfront amount as specified in the respective agreements, with the remaining balance settled after inspection and acceptance of the products. We generally do not set any sales target for our distributors. We generally do not permit distributors to return or exchange products unless there are product quality issues attributable to us, which is consistent with industry practice according to Frost & Sullivan. During the Track Record Period and up to the Latest Practicable Date, we did not experienced any material product return or exchange from our distributors.

As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we did not have any material unresolved disputes or lawsuits with these terminated distributors. To our best knowledge, all of our distributors were Independent Third Parties as of the Latest Practicable Date.

Customer Service and Technical Support

We are committed to providing high-quality customer services through our team of experienced application engineers. Our engineers work closely with end-users at each stage of their projects to deliver tailored and customer-oriented solutions. Leveraging multiple service channels and rigorous service standards, we strive to provide efficient and professional after-sales support.

We have dedicated customer service personnel across Asia, North America and Europe. To better serve our end users, we have technical support teams in close proximity to our key end users. This geographical proximity allows us to quickly address any requests or needs that key end users may have, ensuring swift response times and effective problem-solving.

Pricing

We typically set prices of our products based on prevailing market prices for comparable or similar products, by taking into other factors such as local competition, pricing of our competitors, production costs and customer relationships. We also take into account the projected sales volume, technical complexity, commercial needs and competition landscape when determining the pricing strategy for our relevant products.

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Marketing

We acquire customers by leveraging our brand reputation and industry influence, established through long-term and in-depth collaboration with top-tier companies across the years. We actively participate in industry exhibitions and showcase our products through various channels, including industry referrals, business development activities by our sales personnel and online promotional platforms, in order to present our product solutions and roadmap, keep abreast of market trends and connect with potential customers. These initiatives enable us to foster long-term and stable cooperative relationships with our customers.

OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of global leading cloud service providers and internet companies in China.

In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB168.0 million, RMB605.9 million, and RMB961.0 million, respectively, accounting for 95.8%, 70.3%, and 78.7% of our total revenue, respectively. In addition, revenue generated from our largest customer accounted for 48.3%, 25.2%, and 21.0% of our total revenues in 2023, 2024 and 2025, respectively. The relatively high customer concentration in 2023 was primarily attributable to (i) our then relatively limited business scale, as we were in the process of scaling up our operations and broadening our customer base; and (ii) the transitional stage of our product and customer mix, as we had strategically focused on AI-related high-speed SiPh products, while revenue contribution from AI-related customers had yet to become significant during the relevant period. In particular, Customer A, our largest customer in 2023 and a long-term business partner with whom we commenced our business relationship in 2018, primarily purchased 200G and below lower-speed products from us in 2023 for traditional computing data center applications.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, all of our five largest customers were Independent Third Parties, and none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of our Directors owned more than 5% of our Company's issued share capital) had any interest in any of our five largest customers.

The following table sets forth the details of our five largest customers in each period during the Track Record Period.

						Year of commencement of business relationship
Rank	Customer	Sales Amount	Percentage of total revenue	Type of product/services purchased	Credit terms	
		(RMB'000)				
For year ended December 31, 2023						
1	Customer A ⁽¹⁾	84,721	48.3	AOC, optical transceivers, and others	30 days per month	2018
2	Customer B ⁽²⁾	62,884	35.9	AOC, optical transceivers, and others	45 days per month	2022
3	Customer C ⁽³⁾	11,653	6.6	Optical transceivers	60 days per month	2023

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Rank	Customer	Sales Amount (RMB'000)	Percentage of total revenue	Type of product/services purchased	Credit terms	Year of commencement of business relationship
4	Customer D ⁽⁴⁾	4,378	2.5	AOC and optical transceivers	30 days per month	2021
5	Customer E ⁽⁵⁾	4,329	2.5	AOC and optical transceivers	75 days per month	2021

Notes:

- (1) A private company headquartered in Illinois, the United States. It is a manufacturer of electronic, electrical, and fiber optic connectivity systems.
- (2) A multinational technology company and a dual primary listed company on the Hong Kong Stock Exchange and the New York Stock Exchange, headquartered in Hangzhou, Zhejiang, China. With a registered capital of approximately USD1.6 billion, it primarily engages in e-commerce, retail, internet infrastructure, cloud computing, digital media and logistics through subsidiaries and had a revenue of RMB996.3 million and a net income of RMB126.0 million in the year ended March 31, 2025.
- (3) A private company headquartered in Shanghai, China. With a registered capital of RMB1.5 million, it primarily engages in network technology development and Internet services.
- (4) A private company headquartered in Shanghai, China. With a registered capital of RMB2.0 million, it primarily engages in information technology and software solutions.
- (5) A private company headquartered in Beijing, China, with a registered capital of USD12.5 million. It is a subsidiary of a leading technology company focusing on Internet search, online marketing, artificial intelligence, cloud computing, autonomous driving, smart assistants, mapping services and online entertainment.

Rank	Customer	Sales Amount (RMB'000)	Percentage of total revenue	Type of product/services purchased	Credit terms	Year of commencement of business relationship
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For year ended December 31, 2024

1	Customer B	217,215	25.2	AOC, optical transceivers, and others	45 days per month	2022
2	Customer A	116,031	13.5	AOC and optical transceivers	45 days per month	2018
3	Customer F ⁽¹⁾	100,555	11.7	AOC, optical transceivers, and others	30 days per month	2024
4	Customer C	92,334	10.7	AOC, optical transceivers, and others	60 days per month	2023
5	Customer G ⁽²⁾	79,754	9.3	Optical transceivers	75 days per month	2024

Notes:

- (1) A private company headquartered in Johor, Malaysia, specializing in data infrastructure, analytics, and related technology services.
- (2) A private company headquartered in Beijing, China, with a registered capital of USD100.0 million. It is a multinational Internet technology company focusing on content platforms, social media, short-video sharing, news aggregation, gaming and AI-driven recommendations.

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Rank	Customer	Sales Amount (RMB'000)	Percentage of total revenue	Type of product/services purchased	Credit terms	Year of commencement of business relationship
<i>For year ended December 31, 2025</i>						
1	Customer B	256,757	21.0	AOC and optical transceivers	45 days per month	2022
2	Customer C	251,561	20.6	AOC and optical transceivers	60 days per month	2023
3	Customer G	183,340	15.0	AOC and optical transceivers	75 days per month	2024
4	Customer H ⁽¹⁾	180,590	14.8	AOC and optical transceivers	45 days per month	2024
5	Customer A	88,759	7.3	AOC and optical transceivers	45 days per month	2018

Note:

- (1) A private company headquartered in Beijing, China. With a registered capital of RMB185.0 million, it primarily engages in the development and sale of cloud computing equipment and the provision of related services for industrial Internet applications.

COOPERATION WITH LOCAL GOVERNMENT

We have, at different times, entered into cooperation and investment-related agreements with local government authorities in Chinese mainland or their industrial park management committees. These cooperation agreements set out a framework under which the local governments provide supportive measures such as facilitation of land or facilities access, rental or housing subsidies, talent support policies, and assistance in applying for higher-level policy incentives. In return, we or our designated project companies commit to establish or expand operations locally, register and pay taxes locally, and satisfy certain progress milestones. These arrangements are customary in mainland China for industrial policy implementation and regional investment promotion by local governments.

- **Main Obligations:** we are typically required to establish and/or maintain a local presence within the relevant jurisdiction, including setting up project companies, regional headquarters or operating entities, and to carry out agreed business activities such as investment, construction, research and development, production and sales within a defined scope and scale. We are also generally required to complete applicable business and tax registrations and maintain operations for a prescribed minimum period, which is generally approximately 10 to 15 years under the relevant agreements. The specific investment scale and implementation timetable may, in certain cases, be subject to adjustment upon mutual agreement, provided that the overall project framework is not materially altered.
- **Performance Targets:** we are generally subject to a series of milestone-based contractual operational and performance benchmarks, which may include requirements relating to investment amount in the form of project-level registered capital, investment or reinvestment commitments generally ranging from RMB200.0 million to RMB300.0 million, construction progress and commencement of operations within specific timeframes, revenue generation targets ranging from approximately RMB240.0 million to RMB2.0 billion per year (after the relevant commencement of operations, production, ramp-up or post-investment milestone

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triggers are reached), tax or economic contribution targets ranging from approximately RMB1.7 million to RMB100.0 million per year (after the relevant agreed milestone triggers are reached), and, in certain cases, social insurance contribution targets for approximately 100 to 500 employees. These revenue and tax or economic contribution targets are milestone-based contractual benchmarks and do not represent our current operating results.

- **Government Support:** we are eligible for support measures including policy incentives, administrative facilitation and coordination assistance in accordance with applicable policies and subject to project progress and local development objectives.
- **Termination and Liability:** in general, if either party fails to perform its obligations under the relevant agreement, it may be required, or otherwise be subject to claims, to compensate the other party for losses incurred as a result of such non-performance, in accordance with the terms of the relevant agreement. In certain circumstances, where we fail to satisfy contractual obligations or performance targets, the relevant governmental authority may, depending on the terms of the relevant agreement, have the right to terminate the agreement and/or, in specific cases, revoke or recover any incentives or policy support previously granted, and seek damages in accordance with the terms of the relevant agreement.

As of December 31, 2025, the relevant capital commitment in aggregate was RMB456.5 million. As of the Latest Practicable Date, no dispute or liability has arisen in respect of the relevant agreements with the government authorities, which, as amended and supplemented, govern the parties' current rights and obligations.

INTRA-GROUP TRANSACTIONS

During the Track Record Period, we conducted intra-group transactions between the PRC company and a Singapore subsidiary, where the Singapore subsidiary purchases finished goods from the PRC company for onward resale (“**the Intra-Group Transactions**”). The Singapore subsidiary acted as the contracting entity, while the PRC company undertakes substantive sales and commercial functions, including customer engagement, commercial negotiation, pricing decisions, order management and customer relationship management, and exercised decision-making authority over the key operational and commercial matters. The price payable by the Singapore subsidiary was determined by reference to the invoiced amount for the relevant goods, allowing the Singapore subsidiary to retain a portion of the overall margin reflecting its limited functional role.

In 2023, 2024 and 2025, intra-group transactions accounted for nil, 12.4% and 7.2% of our total revenue, respectively, and nil, 11.4% and 5.7% of our total purchases, respectively. The table below sets out the amount of the Intra-Group Transactions during the Track Record Period:

Type of Intra-group transaction	Year ended December 31,		
	2023	2024	2025
		USD	
Sales and purchases of finished goods	—	14,876,460	12,152,741
Provision and receipt of services	—	148,765	188,721

We engaged an independent professional tax advisory firm in Singapore to review and assess the intra-group transactions in accordance with the Organization for Economic Cooperation and Development (“**OECD**”) Transfer Pricing Guidelines and applicable transfer pricing regulations in the PRC and Singapore.

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Based on the review performed, the transactional net margin method (“TNMM”) was adopted as the most appropriate transfer pricing methodology, with our Singapore subsidiary selected as the tested party given its relatively limited functional profile. The arm’s length remuneration of the Singapore subsidiary was determined by reference to its relevant operating cost base and a conservative return on its paid-up share capital, reflecting the capital at risk arising from its role as a contractual counterparty. A risk-free proxy uplift, based on the volume-weighted average Secured Overnight Financing Rate, was applied in the analysis. Based on the above methodology, the review concluded that the transfer pricing and related tax considerations associated with the Intra-Group Transactions during the Track Record Period were not assessed to be material. Based on the procedures performed and the information made available, the transfer pricing consultant (the “**Transfer Pricing Consultant**”) is of the view that we have complied, in all material respects, with the applicable transfer pricing regulations and guidelines during the Track Record Period, and that the relevant intra-group transactions do not give rise to material transfer pricing compliance issues.

Accordingly, we are of the view that the transfer pricing position for the Track Record Period did not give rise to material risk exposure. During the Track Record Period, there were no known transfer pricing audits, investigations or challenges in respect of our transfer pricing arrangements.

See “Risk Factors — There is no assurance that our intra-group transactions will not be subject to tax adjustments by competent authorities.”

INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights are critical to our business operations. As of the Latest Practicable Date, we had over 40 patents, five registered trademarks, and two domain names in China and overseas. For our portfolio of material intellectual property rights for our core technologies of which we are the registered owner as of the Latest Practicable Date, please see “Appendix VI — Statutory and General Information — Further Information about our Business — Intellectual Property Rights.”

We acquire patents through self-development. As of the Latest Practicable Date, we owned all of our patents as well as patent applications and had no co-own or co-share arrangements of our patents and patent applications with third parties.

We rely primarily on a combination of patents, copyrights, trademarks, trade secret and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in all employment agreements and commercial agreements we enter into. In addition, we also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See “Risk Factors — Risks Relating to Our Business and Industry — We may need to defend ourselves against claims for intellectual property infringement, which may be time-consuming and would cause us to incur substantial costs.” for further details.

QUALITY CONTROL

Product Quality and Safety

Product quality is a key driver of our business success, and we are committed to providing reliable products to our customers in compliance with applicable laws, regulations and industry standards. To this end, we have established a comprehensive product quality management system jointly implemented by our R&D, quality control and procurement departments. This system includes formulating quality policies and objectives, implementing procedures on key aspects such as quality control, corrective and preventive measures, and product recall management. Our quality control measures cover the entire product lifecycle, from raw material procurement, production, sales and marketing to after-sales services.

We identify potential quality risks at different stages of the product lifecycle and develop corresponding response plans. Evaluations are conducted throughout the procurement, production and finished product stages to assess and classify such risks. In addition, we conduct periodic reliability tests by product type and engage independent third-party institutions to perform annual inspections on our products to ensure consistent and independent quality monitoring.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any product defects or recalls that had a material adverse impact on our results of operations or financial condition.

Certifications

We have established a full suite of functional safety processes and obtained the ISO: 9001 Quality Management System Certification in relation to our manufacturing processes, and the TL: 9000 Quality System Certification specifically for the telecommunications industry.

Product Returns and Warranty

The warranty for our products vary depending on the characteristics of the products sold. During the warranty period, our customers may request that we replace or repair defective parts and components free of charge.

We typically do not allow customers to return or exchange products except that our customers may negotiate with us on return and indemnification of defective products due to our faults. We have developed a standard product return or exchange procedure according to our customer complaint handling procedure. During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any material complaints relating to product quality; and (ii) we had not experienced any product recalls or accidents due to product defects.

Raw Material Quality Control

We select suppliers with great prudence to ensure the quality of raw materials. We have established detailed procedures and criteria for evaluating and admitting qualified suppliers. Most of our major suppliers are ISO certified, and our critical materials, such as optical chips, control circuits and various structural components and parts, are required to comply with the relevant national and international standards. See “— Procurement and Supply Chain Management” for more details.

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Production In-process Quality Control

We have formulated detailed production control procedures, which provide standard operating guidelines for each major production step. During the production process, our manufacturing department performs real-time monitoring and control to ensure immediate identification and rectification of quality issues. In addition, our quality control department conducts routine inspections at each workstation, covering process conditions, production equipment and operating procedures, in order to enhance process stability and ensure product quality.

Final Product Quality Control

We have invested in advanced testing equipment and adopted stringent quality control measures to verify the performance and functionality of our final products. Each finished product is tested against its technical requirements and specifications. We also collect and analyze failure rates and other quality-related data on a regular basis to validate the effectiveness of our quality control measures and drive continuous improvement.

INFORMATION SECURITY AND DATA PRIVACY

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process personal data. We believe that the confidentiality, integrity, and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols, and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

Our internal data protection framework is designed to manage and control access to confidential information effectively. We have established clear and detailed protocols that govern the use, storage, and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties.

During the Track Record Period, we did not experience any breach of confidential information of customers or any other customer information related incidents which could cause a material adverse effect on our business, financial condition or results of operations.

COMPETITION

According to Frost & Sullivan, optical transceivers are core products in optical communication systems that enable electro-optical/optical-electrical signal conversion, serving as key interfaces for high-speed, long-reach interconnection within data centers. The optical transceiver industry features high entry barriers due to continuous technological innovation and stringent customer qualification requirements. For further details, please refer to the section headed “Industry Overview” in this prospectus.

INSURANCE

We maintain insurance policies to cover various aspects of our business, including employer’s liability insurance to secure our business continuity. We review our insurance policies timely to ensure its compliances with the statutory PRC laws and regulations. During the Track Record Period, we were not subject to any material claim of insurance. See “Risk Factors — Risks Relating to Our Business and Industry — We, our Directors and our management may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.”

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EMPLOYEES

Most of our employees are based in China during the Track Record Period and up to the Latest Practicable Date. The table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number	Percentage of Total Number
R&D	211	45.1
Manufacturing	177	37.8
Sales	21	4.5
Administrative and other	59	12.6
Total	468	100.0

We enter into standard employment agreements with our employees to cover matters regarding confidentiality, intellectual property, employment, commercial ethics and noncompetition, in particular, the non-competition provision and confidentiality provision effective during and after their employment with us.

We highly value the potential of our employees and have invested substantial efforts and resources in recruiting and training our employees. In addition to regular recruitment program through specialized recruiting firms and professional recruiters, we have also implemented internal referrals policy to attract potential talents to join us. In light of the long-term benefits of talent cultivation, we provide both internal and external training programs to our employees periodically to enhance their technical know-how and solidify their knowledge and expertise for the industry.

As required by laws and regulations in China, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds.

None of our employees are currently represented by labor unions. We believe that we maintain good working relationships with our employees, and we have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Funds

Background and Reasons

During the Track Record Period, we had not made social insurance and housing provident fund contributions for some of our employees in full, in accordance with the relevant PRC laws and regulations, primarily because (i) certain newly hired employees had not completed the relevant registration procedures for social insurance and housing provident fund contributions in the month of their onboarding; (ii) foreign employees were not required under the relevant PRC regulations to participate in the social insurance and housing provident fund schemes, and the Company instead purchased commercial insurance coverage for them; and (iii) the contribution base for certain employees had been determined at levels lower than their full remuneration, mainly due to historical practice and differing interpretations of the applicable regulations. In 2023, 2024 and 2025, the relevant shortfall was RMB3.3 million, RMB5.0 million and RMB7.9 million, respectively.

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During the Track Record Period, we engaged third-party human resource agencies to pay social insurance and housing provident fund contributions for a small number of our employees, primarily because some employees working in different cities across the nation prefer their social insurance and housing provident fund contributions to be paid at their respective places of residence, where we did not have an office presence, for convenience of utilizing such benefits locally.

Potential Legal Consequences

Pursuant to relevant PRC laws and regulations, our PRC Legal Advisor has advised us of the following potential legal consequences:

- For the shortfall of social insurance, we may be required to (i) make up the shortfall within a prescribed period and may be subject to late payment surcharges, and (ii) pay a fine of one to three times the overdue amount if such payment is not made within the stipulated period.
- For the shortfall of housing provident fund contributions, we may be required to (i) make up the shortfall within a prescribed period, and (ii) be subject to compulsory enforcement by the courts if such payment is not made within such time limit.
- For the engagement of third-party human resource agencies, we may be subject to (i) additional contribution, late payment surcharges and/or penalties imposed by the relevant authorities if such agencies fail to pay the social insurance or housing provident fund contributions for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements is challenged by relevant governmental authorities, and (ii) potential labor disputes arising from such arrangements with the relevant employees.

Latest Status and Remedial Measures

During the Track Record Period and up to the Latest Practicable Date, (i) we had obtained written confirmations for substantially all of our subsidiaries from competent local social (public) credit center or public credit information (service) center, as confirmed by our PRC Legal Advisor, each stating that the relevant subsidiary had not subject to any administrative penalty, (ii) no administrative action or penalty had been imposed by the relevant governmental authorities with respect to our social insurance and housing provident fund contributions, (iii) we had not received any notification from the relevant PRC authorities requiring us to pay material shortfalls or the penalties with respect to social insurance and housing provident fund contributions, (iv) we were not aware of any material employee complaints nor were involved in any material labor disputes with our employees with respect to social insurance and housing provident fund contributions, and (v) we obtained an indemnity letter from Dr. Hu to indemnify us against any losses and penalties which we may suffer as a result of the failure to comply with relevant laws, rules and regulations concerning social insurance and housing provident fund contributions.

Based on the foregoing, our PRC Legal Advisor is of the view that the above-mentioned matters do not constitute major illegal or irregular behaviors and will not have a material adverse effect on our current issuance and listing. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

We have taken the following internal control enhancement measures relating to social insurance and housing provident funds contributions:

- We have designated our human resource department to monitor the reporting and contributions of social insurance and housing provident fund contributions;

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- We will consult PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and
- We will actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing fund.

See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to additional contributions of social insurance and housing provident funds and late payments and fines imposed by relevant governmental authorities.”

Our Sales to the U.S. and Applicable U.S. Laws and Regulations

Sales to the U.S. market

Historically, a significant portion of our product offerings to the U.S. market consisted of lower-speed products. However, in alignment with our strategic shift, we have reallocated production capacity towards higher-speed products. Consequently, the supply of lower-speed products, including those provided to the U.S. market, was curtailed. Our higher-speed products were primarily provided to the domestic market during the Track Record Period, as U.S. customers are still undergoing the verification process for these advanced products. The verification processes are usually long mainly because high-speed products such as 800G and 1.6T involve greater technical complexity, stricter customer qualification standards and longer sampling and testing cycles. The process typically covers performance testing, reliability testing, industry certification and customer network validation, and may take approximately 10 to 18 months, which is in line with industry standard, according to Frost & Sullivan. Following the completion of these processes, we expect to further enhance our sales in the U.S. Our ability to sell products into the U.S. market has not been materially and adversely affected by tariffs imposed by the U.S. government, export controls, other trade restrictions or other factors outside the ordinary course of business. See “RISK FACTORS — Our revenue from overseas markets decreased during the Track Record Period.”

Export control

The applicability of U.S. export control regulations depends primarily on the nature of the products involved and the identity of the relevant counterparties. As (i) our products are not of U.S. origin, are not located in the U.S., and do not transit through or pass via the U.S.; (ii) our products do not incorporate U.S.-origin components, software or technology to a level that would trigger EAR jurisdiction under the *de minimis* rule; (iii) the U.S.-origin raw materials used in our products during the Track Record Period did not exceed the applicable *de minimis* threshold under the EAR; and (iv) our products are not the direct products of U.S.-origin “technology” or “software,” nor are they produced using any complete plant or major component that is itself a direct product of such controlled U.S. technology or software, based on the aforementioned and our consultation with the relevant legal adviser, our products do not fall within the scope of export controls under the EAR.

During the Track Record Period, we had one customer on the Entity List, and our aggregate transaction amount with such customer was RMB85,838. As of the Latest Practicable Date, we have ceased collaboration with such customer. As our products fall outside the EAR scope, the offerings we provided to the client was not subject to export controls. Accordingly, our Directors are of the view that we are not subject to any trade restrictions or sanction that would materially affect our business operation.

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Tariffs

During the Track Record Period, we incurred tariffs arising from our U.S. sales and relevant import activities, and the impact of such tariffs was limited and arose in the ordinary course of business.

In 2023, our products sold to the U.S. did not incur relevant U.S. tariff obligations. In 2024 and 2025, the products we sold to the U.S. that were subject to tariffs were primarily 200G and 800G optical transceivers, with applicable tariff rates ranging from 7.5% to 27.5%. In 2023, 2024 and 2025, the tariffs we incurred in relation to the relevant products sold to the U.S. under trade arrangements pursuant to which we were responsible for the relevant tariff payments amounted to nil, US\$47.5 thousand and US\$77.8 thousand, respectively, which were insignificant relative to our revenue during the respective years, representing 0%, 0.04% and 0.05% of our revenue, respectively. Such tariffs comprised (i) an additional duty of 7.5% imposed on products falling within List 4A under Section 301 of the U.S. Trade Act of 1974, as amended, which allows the U.S. government to impose trade measures in response to certain unfair trade practices, and (ii) additional reciprocal tariffs imposed pursuant to certain executive orders issued under the Trump administration which were in effect at the relevant time. As of the Latest Practicable Date, following the opinion of the Supreme Court of the United States that the International Emergency Economic Powers Act did not authorize the President of the United States to impose such reciprocal tariffs, no such reciprocal tariffs remained in effect, and the applicable tariff rate for the relevant products was 7.5%. Under our ordinary commercial arrangements, a portion of the relevant tariff costs may be passed on to customers through adjustments to the total purchase price payable by customers. Accordingly, based on the current applicable tariff rate and our existing commercial arrangements with U.S. customers, we do not expect such tariffs to have a material adverse impact on our pricing, profitability or market competitiveness going forward.

Our imports into the PRC are subject to the applicable import tariff rates under the Customs Import and Export Tariff of the PRC. According to our PRC Legal Advisor, on the basis that, during the Track Record Period, substantially all of our purchases were sourced from outside the U.S. and only a limited amount of U.S.-origin raw materials were procured for testing purposes, with de minimis purchase amounts and corresponding tariffs, the relevant PRC tariffs on U.S.-origin goods did not have a material impact on our operations. Given that substantially all of our purchases were sourced from suppliers outside the U.S. during the Track Record Period, we believe that alternative suppliers in other jurisdictions are generally available and are able to provide products of comparable quality at similar prices. Accordingly, we do not expect PRC tariffs on U.S.-origin goods to materially affect our procurement, production or supply chain stability.

Outbound investment rule

Our business involves the design of silicon photonic chips, which falls within sectors identified in the Outbound Investment Rule. Our design activities focus on integrated circuits for optical communication applications and do not involve advanced semiconductor manufacturing or design activities referred to in the definition of “prohibited transactions” for the semiconductors and microelectronics sector under the Outbound Investment Rule. However, under the Outbound Investment Rule, the activity of “designing any integrated circuit” is itself identified as a “covered activity” giving rise to a “notifiable transaction” if conducted by a “covered foreign person.” After consultation with Paul Hastings LLP, our legal advisor as to the Outbound Investment Rule, our Directors are of the view that we are a “covered foreign person” and the activity in which we are engaged may be subject to notification requirement. Neither we nor the underwriter for this Global Offering are advising investors on compliance with the Outbound Investment Rule, and any investor that is uncertain about the Outbound Investment Rule’s application to their purchase of Shares in this Global Offering or the need to file a notification with Treasury, should consult their own counsel. Pursuant to the Outbound Investment Rule, U.S. persons’ purchases of certain publicly traded securities are neither prohibited nor

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subject to notification to Treasury under an exception in the Outbound Investment Rule that applies to U.S. persons' purchase of "any publicly traded security, with "security" as defined in the U.S. Exchange Act, denominated in any currency, and that trades on a securities exchange in any jurisdiction" (the "**Publicly Traded Securities Exception**"), provided that such U.S. persons or their non-U.S. person subsidiaries are not afforded rights beyond standard minority shareholder protections with respect to us.

In addition, pursuant to Treasury's Outbound Investment Rule-related Frequently Asked Questions updated on December 23, 2025 (the "**FAQ**"), absent additional facts, when a U.S. person acquires an equity interest in a covered foreign person, and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a "publicly traded security," regardless of when an agreement is entered into. In cases of doubt (including as to whether "additional facts" that are relevant under the FAQ are present), U.S. persons (and non-U.S. subsidiaries of U.S. persons) that acquire Shares from us in the Global Offering should consult their legal counsel regarding availability of the Publicly Traded Securities Exception. Whether underwriter or investors in this Global Offering decide to make such a notification will be based on their own assessment of the implication of the Outbound Investment Rule. Our Directors are of the view that the Outbound Investment Rule will not have a material adverse impact on our Group, the Global Offering and post-listing trading.

PROPERTIES

We occupy certain properties across China in connection with our business operations.

As of December 31, 2025, we had no single property with a book value accounting for 15% or more of our total assets. Therefore, pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the Third Schedule, which requires a valuation report with respect to all of our interests in land or buildings.

Owned Properties

As of Latest Practicable Date, we owned and occupied the land use rights of one land parcel in China, with an aggregate GFA of approximately 31,913 sq. m., which were mainly used as our production facilities. As of the Latest Practicable Date, we had obtained land use right certificate for this land parcel.

Lease Properties

As of Latest Practicable Date, we leased four properties across China, with an aggregate GFA of approximately 20,871 sq. m., which were mainly as our offices, R&D centers as well as production facilities.

As of the Latest Practicable Date, we had not completed lease registration or lease registration modification for one of the leased properties in China, primarily due to the failure to obtain property ownership certificate by the leased property. According to the Measures for the Administration of Commercial Housing Leasing, the lessor may face potential ownership defects or disputes due to the lack of the property ownership certificate, which could render us unable to continue leasing the relevant property. Nevertheless, the leased area of this property is 262.4 sq. m., accounting for a relatively small proportion of our total floor area as of December 31, 2025. Moreover, the property is primarily used as our office and is highly replaceable, and we are able to relocate to alternative premise with similar rental costs. The leased property has completed the required fire safety inspection and construction completion acceptance procedures. It is also equipped with firefighting facilities that comply with applicable fire protection regulations, and has established fire prevention measures suitable for daily

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business operations, thereby meeting the safety conditions for office use. We were not subject to any administrative penalties for violations of fire safety or related laws and regulations during the Track Record Period. As of the Latest Practicable Date, in relation to the leased properties that had not completed lease registration or lease registration modification, we have not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. As advised by our PRC Legal Advisor, the absence of registrations will not affect the validity of the lease agreements, nor materially and adversely affect our operations.

See “Risk Factors — Risks Relating to Our Business and Industry — Certain of our leased property interests may have defective titles, and some of our leased properties did not complete the government filing and registration.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We recognize the fundamental importance of Environmental, Social, and Governance (the “ESG”) factors in our path towards sustainable development. Our primary goal is to generate and amplify a positive impact on our employees, customers and business partners. Simultaneously, we are dedicated to enhancing our environmental accountability and our role in the public sphere. To ensure compliance with applicable laws and regulations, from time to time, our Board of Directors periodically reviews our policies and, if needed, adjusts to accommodating substantial modifications in labor and workplace safety regulations.

ESG Management Framework

In alignment with the global shift toward sustainable development, we are committed to establishing a comprehensive ESG management framework to guide our long-term growth. We plan to progressively establish and enhance our ESG governance framework following our listing. Our Board of Directors will take overall responsibility for ESG management strategies and objectives, regularly monitoring progress toward objectives, evaluating overall ESG performance, and reviewing and approving our annual ESG report. To systematically advance ESG initiatives, we intend to establish an ESG working group composed of senior management, which will be responsible for identifying and assessing ESG risks, formulating and overseeing the Company’s ESG management policies, targets and specific action plans, and reporting the annual progress of ESG implementation to the Board of Directors.

Additionally, ESG principles have been integrated into our corporate strategy, long-term business planning, key decision-making processes, and day-to-day operations. Our goal is to achieve sustainable economic growth while fulfilling our social responsibilities, protecting the environment, and ensuring that our development is consistent with internationally recognized sustainable development goals. We believe that robust ESG management enhances our corporate reputation, strengthens our market competitiveness and risk-resilience, and creates long-term value for shareholders, employees, customers and other stakeholders. Guided by this principle, we continue to improve our internal governance, operational transparency and resource efficiency, and to promote a culture of responsibility and sustainability across the Group.

Environment Protection

To support these efforts, we have formulated detailed energy conservation and resource management policies that ensure the efficient and rational use of resources while minimizing waste. These policies clearly define procedures and precautionary measures for the consumption and utilization of key resources such as water, electricity, paper and compressed air. We have also established systems to monitor and track greenhouse-gas emissions. Through these initiatives, we aim to reinforce the

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supervisory responsibilities of factory managers, strengthen employees' environmental awareness, and contribute to our ongoing energy-saving and emission-reduction objectives. We are an environmentally friendly company as demonstrated by the following efforts and measures.

A. Metrics and Targets

The following tables set forth the metrics of the electricity and water consumption, with emission data of us for the periods indicated.

Electricity and Water Consumption

	Unit	Year Ended December 31,		
		2023	2024	2025
Electricity	MWh	4,652	7,548	11,609
Intensity	MWh/million RMB revenue	27	9	10
Water	Cubic meters	14,183	15,963	22,313
Intensity	Cubic meters/million RMB revenue	81	19	18

Greenhouse Gas Emission

	Unit	Year Ended December 31,		
		2023	2024	2025
Scope 1	tCO2e	55	55	41
Scope 2	tCO2e	3,177	5,255	7,928
Scope 3 ¹	tCO2e	232	332	509
Scope 1+Scope 2 Carbon Emission Intensity.	kgCO2e/ RMB revenue	0.02	0.01	0.01

Note:

(1) Scope 3 emissions include the category of employee business.

Environmental Compliance Investment

	Unit	Year Ended December 31,		
		2023	2024	2025
Environmental Compliance Cost	Ten thousand RMB	19	18	52

B. Targets

Based on the resource consumption data in 2025, we plan to reduce the per revenue usage of electricity and water by approximately 8.0% by 2028, as measured by the cubic meter of water and MWh of electricity consumed per revenue.

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Based on the greenhouse gas emission data in 2025, we plan to reduce the per revenue greenhouse gas emission (scope 1, scope 2 and scope 3) by approximately 12.0% by 2028, as measured by the CO₂e of greenhouse gas emission per revenue.

Meanwhile, we have set relevant targets to reduce waste, wastewater and emissions, and monitor progress towards these targets through assessments conducted by independent third-party.

Environment Protection Initiatives

To meet our targets, we have implemented various measures to reduce resource consumption and stay compliant with respect to ESG matters.

A. Climate Change

Within our ESG risk identification and management framework, we have identified climate change risks and implemented corresponding response measures. We have identified the following key climate-related risks.

Risk Category	Risk Description	Response Measure
Physical Risks — Typhoon and Flooding.	Extreme weather events may lead to temporary suspension of operations, disruptions in upstream supply chains, and downstream transportation.	<p>— We plan to develop internal emergency response plans to address physical risks.</p> <p>— We are establishing diversified logistics to reduce reliance on single logistics providers or mode of transportation.</p>
Transition Risks — Regulatory and Policy Risks	Governments are continuously introducing stricter greenhouse gas emission regulations like carbon taxes and carbon pricing mechanisms, which may result in increased compliance costs for the Group.	<p>— We continue to monitor domestic and overseas carbon policies and regulatory trends to proactively identify potential compliance requirements.</p> <p>— We conduct internal training on carbon emission laws and regulations to enhance employee awareness and understanding of relevant policies.</p>

B. Energy Efficiency and Emissions Reduction

We are committed to the principles of energy conservation, environmental protection and emission reduction. We strictly comply with the *Environmental Protection Law of the People's Republic of China* and other applicable environmental laws and regulations, and designated internal policies, such as the *Energy Conservation Management Measures*.

We are committed to enhancing energy efficiency and reducing emissions across all our offices through the implementation of targeted measures. These include:

- Optimizing heating, ventilation, and air conditioning. Heating and air conditioning systems in our common areas, and offices are set to appropriate temperatures based on seasonal and weather conditions, ensuring comfort while minimizing energy waste.

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- Improving lighting efficiency. Separate control switches are installed for lighting in public areas and offices to allow for better energy management. During working hours, only essential lighting, such as a single row in corridors, remains on, and all lights are turned off after working hours to avoid unnecessary energy consumption. Meanwhile, we have upgraded conventional lighting at our facilities to energy-efficient LED lighting, achieving annual energy savings of approximately 30,000 kWh.
- Maximizing natural light usage. Our employees are encouraged to make full use of natural daylight during working hours to reduce reliance on artificial lighting. Additionally, all electronic equipment is turned off when employees leave the office to further conserve energy.
- Reducing standby energy consumption. Employees are encouraged to turn off computer monitors if they are away from their desks for more than 30 minutes. Standby time for office equipment, including computers, printers, and copiers, is minimized to lower unnecessary energy usage.

C. Waste Management and Recycling

We place high priority on waste management and strictly adhere to laws and regulations including *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Regulations of Jiangsu Province on the Prevention and Control of Environmental Pollution by Solid Waste*. We have formulated internal policies, such as the *Solid Waste Management Measures* and the *Waste Treatment and Disposal Management Policy*.

We have implemented the following initiatives:

- Engaging qualified waste disposal providers. Through a rigorous tender process, we engage qualified third-party service providers to handle waste disposal. We carefully assess service providers' qualifications and regularly monitor their waste disposal methods to ensure full compliance with regulations and prevent improper handling practices.

D. Resource Management

To enhance our management and monitoring of water usage and pollution prevention, we have implemented the following measures:

- Promoting water conservation awareness. Water-saving signage is installed in restrooms and other public water-use areas across our offices to encourage mindful and responsible water usage.
- Addressing water system issues promptly. Employees are required to immediately report issues such as leaking pipes or faucets to property management staff for swift repairs, ensuring minimal water loss.
- Implementing water-saving measures. We adopt water-efficient equipment, including the installation of water-efficient smart sensor-controlled fixtures in restrooms, resulting in annual water savings of approximately 1,200 tons. We conduct regular maintenance of water systems, strictly address leaks, drips, continuous water flow, and unnecessary water usage.
- Encouraging responsible water use through training. Through training programs and awareness materials, we promote policies for lawful, efficient, and responsible water usage. Employees are encouraged to turn off faucets promptly after use to prevent water wastage.

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- Promoting sustainable packaging solutions. We are committed to advancing sustainable packaging by embracing environmentally friendly materials in our packaging. We have also optimized our packaging design by replacing large packaging containers with a mix of large and small packaging, thereby reducing packaging-related environmental impacts. In 2025, the consumption of single-use packaging materials reduced by 15% compared to 2023.

Occupational Health and Safety

We have established and continuously enhanced a systematic occupational health and safety management system. In accordance with our *Occupational Health Management Policy*, we define the requirements, protective measures and management responsibilities for employees and contractors to ensure compliance with applicable laws and industry standards.

To safeguard employees' well-being, we implement medical examinations and organize annual physical examinations for all employees. We also provide five days of paid sick leave each year to support employees' rest and medical needs.

We arrange external training for EHS management personnel and provide ongoing internal occupational health and safety training for all employees, with relevant records properly maintained. Through these measures, we are committed to creating a safe and healthy working environment and promoting employee well-being alongside our sustainable development.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, according to our PRC Legal Advisor, we had obtained all requisite licenses, approvals and permits from relevant governmental authorities that are material to our business operations in China, and such licenses, approvals, permits and certificates remained in full effect. We are required to renew such certificates, permits and licenses from time-to-time. We do not expect any material difficulties in such renewals.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received.

Award/Recognition	Award Year	Awarding Institution/Authority
Lightwave Innovation Award	2026	Lightwave
Specialized and Sophisticated “Small Giant” Enterprises in China(國家級專精特新「小巨人」企業)	2025	General Office of the Ministry of Industry and Information Technology (工業和信息化部辦公廳)
Specialized and Sophisticated “Small Giant” Enterprises in Jiangsu (江蘇省專精特新「小巨人」企業)	2025	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
Specialized, Refined, Distinctive, and Innovative Enterprise in Jiangsu (江蘇省專精特新中小企業)	2022	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)
Jiangsu Provincial Enterprise Technology Center (江蘇省企業技術中心)	2022	Jiangsu Provincial Department of Industry and Information Technology (江蘇省工業和信息化廳)

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IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic has adversely affected the global economy since the first quarter of 2020. Numerous anti-pandemic measures were taken by government authorities, including travel bans and restrictions, quarantine measures, and temporary factory shutdowns, which initially affected global supply chains for optoelectronic interconnection products and on-site project implementation. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption to our regular operations, product launches or major project deliveries in relation to the COVID-19 pandemic. We believe that the impact of the COVID-19 pandemic on our overall business operations was limited. As of the Latest Practicable Date, the COVID-19 pandemic has largely subsided with no material ongoing impact on our operations.

INTERNAL CONTROL AND RISK MANAGEMENT

We have developed and implemented risk management policies and internal control measures in relation to our business operations, financial reporting and general compliance. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have adopted and will adopt, among other things, the following risk management measures.

- We design a comprehensive set of policies to identify, analyze, manage and monitor various risks, and periodically assess and update our risk management policies.
- Our Board is responsible for overseeing the overall risk management and internal control.
- Our Audit Committee is authorized to review and evaluate our financial control, risk management and internal control system. See “Directors, Supervisors and Senior Management — Board Committees — Audit Committee” for the composition of the Audit Committee and the qualifications and experience of them;
- We will adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and
- We will continue to organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may encounter various legal or administrative proceedings arising in the ordinary course of our business. See “Risk Factors — Risks Relating to Our Business and Industry — We, our Directors and our management may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.”

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any significant legal, arbitration or administrative proceedings that resulted in administrative penalties, which could, individually or collectively, have a material and adverse impact on our business.

Compliance

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Advisor, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. See “Regulatory Overview” for more information about the laws and regulations applicable to us.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

OVERVIEW

Upon Listing, our Board will consist of nine Directors, including five executive Directors, one non-executive Director, and three independent non-executive Directors. Our Directors serve for a term of three years and shall be subject to re-election upon retirement. Our Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our general meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. Our Board also assumes the responsibilities for developing and reviewing the policies and practices of our Company on corporate governance, risk management, internal control and compliance with legal and regulatory requirements.

Our Supervisory Committee currently consists of three Supervisors. Our Supervisory Committee is responsible for supervising the performance of duty of our Board and the senior management of our Company and overseeing the financial, internal control and risk conditions of our Company.

The senior management of our Company currently consists of three members who are responsible for our day-to-day management and operations.

DIRECTORS

The following table sets forth the key information about our Directors:

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining the Group
Dr. Hu Zhaoyang (胡朝陽)	56	Chairman of our Board, executive Director, and chief executive officer of our Company	Responsible for overall strategic planning and making key business and operational decisions for our Group	November 1, 2011	November 1, 2011
Mr. Hu Yong (胡勇)	40	Executive Director, vice general manager of operation and Board secretary of our Company	Responsible for the overall management of operation of our Group	December 8, 2020	February 20, 2012
Ms. Zhou Hong (周紅)	40	Executive Director and chief financial officer of our Company	Responsible for the overall financial management and corporate financing of our Group	October 15, 2019	October 8, 2012
Dr. Sun Xu (孫旭)	38	Executive Director and chief technology officer of our Company	Responsible for providing guidance for the R&D, strategy and business development of our Group	October 23, 2025	January 11, 2021
Mr. Guo Qingsong (郭青松)	49	Executive Director and vice general manager of the supply chain of our Company	Responsible for managing the supply chain operations of our Group	October 23, 2025	July 29, 2024

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position	Responsibilities	Date of the appointment as a Director	Date of joining the Group
Mr. Ng Ho Nam (吳皓南)	32	Non-executive Director	Responsible for providing guidance and advice on the corporate and business strategies of our Group	October 23, 2025	October 23, 2025
Dr. Xu Haoping (徐浩萍)	51	Independent non-executive Director	Responsible for supervising and providing independent judgement to our Board	December 8, 2020	December 8, 2020
Dr. Wang Fei (王飛)	46	Independent non-executive Director	Responsible for supervising and providing independent judgement to our Board	December 8, 2020	December 8, 2020
Mr. Zhang Wei (張維)	40	Independent non-executive Director	Responsible for supervising and providing independent judgement to our Board	October 23, 2025	October 23, 2025

Executive Directors

Dr. Hu Zhaoyang (胡朝陽), aged 56, our founder, has been our Director, chairman of our Board and our chief executive officer since November 2011. He was re-designated as an executive Director on October 23, 2025. Dr. Hu is primarily responsible for the overall strategic planning and making key business and operational decisions of the Group.

Dr. Hu has over 20 years of experience in the optoelectronic interconnection industry. Before founding our Group, he served as a postdoctoral fellow at University of Maryland, College Park from July 2000 to July 2001 and as a research scientist at the University of California, Santa Barbara from July 2001 to December 2006. He then successively served as the engineering manager at OCP, Inc. (was acquired by Oplink) and Oplink Communications Inc. from January 2007 to March 2009. He also served as the engineering director at Source Photonics Inc. in the United States from March 2009 to September 2011.

Dr. Hu has served as an invited reviewer for seven internationally renowned journals and owns five technological achievements certified by the Office of Technology Transfer of the University of California. He has been granted multiple United States invention patents and has published over 50 academic papers, more than 40 of which are indexed by the Science Citation Index (SCI). He won the first prize of the 2nd China Innovation and Entrepreneurship Competition (第二屆中國創新創業大賽) and the first prize of the 1st Jiangsu Technology to Entrepreneurship Competition (首屆江蘇科技創業大賽) in August 2013. He also won the title of Jiangsu Province High-Level Innovation and Entrepreneurial Talent Introduction Plan (江蘇省高層次創新創業人才引進計劃) awarded by Jiangsu Provincial Leading Group for Talent Work (江蘇省人才工作領導小組) in October 2013, Gusu Innovation and Entrepreneurship Leading Talent (姑蘇創新創業領軍人才) awarded by Suzhou Municipal People's Government (蘇州市人民政府) in February 2013 and Six Talent Peaks (六大人才高峰) awarded by Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in November 2014.

Dr. Hu obtained his bachelor's degree in electronic engineering and his master's degree in inertial technology and its navigation equipment from Beihang University (北京航空航天大學) in the PRC in July 1992 and in March 1997, respectively. He further obtained his doctorate degree in precision instruments and machinery from Tsinghua University (清華大學) in the PRC in June 2000.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Hu Yong (胡勇), aged 40, joined our Group in February 2012 and has been our Director since December 2020, and our vice general manager of operation since May 2023. He was appointed as our Board secretary on October 8, 2025 and re-designated as an executive Director on October 23, 2025. He also served as the R&D engineer of our Company from February 2012 to February 2015, R&D manager of our Company from February 2015 to February 2018, and operation director of our Company from February 2018 to April 2023. Mr. Hu is primarily responsible for the overall management of operation of our Group.

Before joining our Group, Mr. Hu served at Source Photonics (Chengdu) Co., Ltd. (索爾思光電(成都)有限公司) and was responsible for designing and developing the optical device products from July 2008 to February 2012.

Mr. Hu obtained his bachelor's degree in microelectronics from North University of China (中北大學) in the PRC in July 2008.

Ms. Zhou Hong (周紅), aged 40, joined our Group in October 2012 and has been our Director and chief financial officer since December 2020. She was re-designated as an executive Director on October 23, 2025. She served as the financial manager of our Company from October 2012 to December 2020. Ms. Zhou is primarily responsible for the overall financial management and corporate financing of our Group. Ms. Zhou has over 13 years of experience in financial management.

Ms. Zhou obtained her bachelor's degree in finance through long distance learning from Southwestern University of Finance and Economics (西南財經大學) in the PRC in December 2022. She obtained her Intermediate Accountant Certificate jointly issued by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and Ministry of Finance of the PRC (中華人民共和國財政部) in September 2024.

Dr. Sun Xu (孫旭), aged 38, joined our Group in January 2021 and was appointed as our executive Director on October 23, 2025. He has been our chief technology officer since October 2021. Dr. Sun is primarily responsible for providing guidance for the R&D, strategy and business development of the Group.

Dr. Sun has over 14 years of experience in the research and development of silicon photonics. Before joining our Group, he served as a senior engineer at Huawei Technologies Co., Ltd. (華為技術有限公司) from December 2017 to January 2021, where he was primarily responsible for research and product development in the field of optoelectronic technology.

Dr. Sun obtained his bachelor's degree in electronic science and technology from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2009, his master's degree in optoelectronics and his doctorate degree in materials and nanophysics from KTH Royal Institute of Technology in Sweden in November 2013 and in June 2017, respectively.

Mr. Guo Qingsong (郭青松), aged 49, joined our Group in July 2024 and was appointed as our executive Director on October 23, 2025. He has been our vice general manager of the supply chain since July 2024. Mr. Guo is primarily responsible for managing the supply chain operations of the Group.

Mr. Guo has over 23 years of experience in procurement. Before joining our Group, he served at PerkinElmer Industrial (Shenzhen) Ltd. (珀金埃爾默實業(深圳)有限公司), currently known as Excelitas Technologies (Shenzhen) Co., Ltd. (埃賽力達科技(深圳)有限公司), from April 2002 to February 2007. He then served at IBM Procurement (China) Co., Ltd. (國際商業機器採購(中國)有限公司), currently known as Shenzhen IBM Innovation Science & Technology Co., Ltd. (深圳國際商業機器創新科技有限公司), from March 2007 to November 2012. He also served at Taobao (China) Software Co., Ltd. (淘

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

寶(中國)軟件有限公司) from September 2014 to August 2023, and successively served at Hangzhou Alibaba Cloud Feitian Information Technology Co., Ltd. (杭州阿里雲飛天信息技術有限公司) from September 2023 to July 2024.

Mr. Guo obtained his master's degree in chemical engineering from Zhejiang University (浙江大學) in the PRC in March 2002.

Non-executive Director

Mr. Ng Ho Nam (吳皓南), aged 32, was appointed as our non-executive Director on October 23, 2025. Mr. Ng is primarily responsible for providing guidance and advice on the corporate and business strategies of our Group.

Mr. Ng took the management position at Beijing State-owned Capital Operation and Management Center (北京國有資本經營管理中心), currently known as Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) from January 2019 to November 2021, and he has been serving as the management position at Beijing Jingguorui Equity Investment Fund Management Co., Ltd. (北京京國瑞股權投資基金管理有限公司) since December 2021.

Mr. Ng graduated from Renmin University of China (中國人民大學) in the PRC with a major in marketing in July 2016 and his master's degree in accounting from Peking University (北京大學) in the PRC in January 2019.

Independent Non-executive Directors

Dr. Xu Haoping (徐浩萍), aged 51, joined our Group in December 2020 and has been our independent Director since then. She was re-designated as our independent non-executive Director on October 23, 2025. Dr. Xu is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Xu is currently serving as an associate professor at the Department of Accounting at Fudan University (復旦大學). She also served as an independent director at (i) China Tianying Inc. (中國天楹股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000035), from April 2022 to October 2023; and (ii) Jiangsu Lintex Advanced Materials Co., Ltd. (江蘇林泰新材科技股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 920106) since January 2021. She has also served as a director at (i) China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) since July 2022; and (ii) Suzhou Huike Technology Co. Ltd. (蘇州匯科技技術股份有限公司) since March 2022.

Dr. Xu obtained her master's degree in business administration from Nanjing University (南京大學) in the PRC in June 2002. She then obtained her doctorate degree in accounting from Peking University (北京大學) in the PRC in June 2005.

Dr. Wang Fei (王飛), aged 46, joined our Group in December 2020 and has been our independent Director since then. He was redesignated as our independent non-executive Director on October 23, 2025. Dr. Wang is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Wang was appointed as an associate professor at Soochow University (蘇州大學) in June 2011 and has been serving as a professor at School of Physical Science and Technology at Soochow University since July 2017.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Wang obtained his bachelor's degree in physics and his doctorate degree in optical engineering from Zhejiang University (浙江大學) in the PRC in June 2003 and June 2008, respectively.

Mr. Zhang Wei (張維), aged 40, was appointed as our independent non-executive Director on October 23, 2025. Mr. Zhang is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Zhang has over 15 years of experience in the finance and audit industry. He served as an auditor at Deloitte & Touche LLP from September 2008 to September 2011, an manager of KPMG from October 2011 to December 2015, a finance manager at CMC Capital Partners HK Limited from December 2015 to June 2017, a senior finance manager at Asia-Germany Industrial Promotion Limited from June 2017 to March 2020 and the senior vice president at Lunar Capital Management Limited from April 2020 to July 2021. He has been serving as the director of fund services at ICS Corporate Services since June 2021 and partner of ICS CPA Limited since August 2022. He has also been serving as a director of Anhui Sinomags Technology Co., Ltd. (安徽希磁科技股份有限公司) since August 2025.

Mr. Zhang obtained his bachelor's degree in business administration, majoring in corporate finance and accounting, from San Francisco State University in the United States in May 2008. He has been registered as a certified public accountant with the Board of Accountancy of the Department of Professional and Financial Regulation Office of Professional and Occupational Regulation of the State of Maine in the United States since October 2020 and has also been registered as a certified public accountant with the Hong Kong Institute of Certified Public Accountants since March 2021. He is a certified anti-money laundering specialist, the certification of which was awarded by the Association of Certified Anti-Money Laundering Specialists in March 2020.

SUPERVISORS

The following table sets forth the key information about our Supervisors.

Name	Age	Position	Responsibilities	Date of the appointment as Supervisor	Date of joining the Group
Ms. Zhao Xiuxiu (趙秀秀)	32	Employee Representative Supervisor	Responsible for overseeing our operations and financial activities	February 3, 2023	January 15, 2016
Ms. Zhang Xiejuan (張謝娟)	34	Supervisor	Responsible for overseeing our operations and financial activities	October 23, 2025	February 27, 2017
Ms. Wei Shanlin (魏善林)	35	Supervisor	Responsible for overseeing our operations and financial activities	October 23, 2025	June 1, 2020

Ms. Zhao Xiuxiu (趙秀秀), aged 32, joined our Group in January 2016 and has been our Employee Representative Supervisor since February 2023. She also served as production planning manager of our Company from June 2016 to June 2021 and has been serving as R&D planning manager of our Company since June 2022. Ms. Zhao is primarily responsible for overseeing our operations and financial activities.

Ms. Zhao graduated from Nanjing University of Science and Technology (南京理工大學) in the PRC with a major in business administration through long distance learning in July 2021.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Zhang Xiejuan (張謝娟), aged 34, joined our Group in February 2017 and was appointed as our Supervisor on October 23, 2025. Ms. Zhang is primarily responsible for overseeing our operations and financial activities.

Ms. Zhang served as an office assistant at Shanghai Wanhua Guangda Communication Equipment Co., Ltd. (上海萬虎光大通信設備有限公司) from September 2014 to May 2016 and worked at Suzhou Yougongchang Information Technology Co., Ltd. (蘇州優工場信息技術有限公司) from June 2016 to January 2017.

Ms. Zhang obtained her bachelor's degree in human resources from Xiangnan University (湘南學院) in the PRC in June 2014. She was certified as an enterprise human resources professional at level three (三級企業人力資源管理師) by the Occupational Skill Testing Authority of the Ministry of Human Resources and Social Security of the PRC (人力資源和社會保障部職業技能鑒定中心) in August 2013.

Ms. Wei Shanlin (魏善林), aged 35, joined our Group in June 2020 and was appointed as our Supervisor on October 23, 2025. She has been serving as the human resources manager of our Company since June 2020. Ms. Wei is primarily responsible for overseeing our operations and financial activities.

Ms. Wei served at China-Singapore Suzhou Heqiao Property Service Co., Ltd. (中新蘇州和喬物業服務有限公司) from September 2014 to November 2014, at Suzhou Aosuxing Property Management Co., Ltd. (蘇州奧蘇星物業管理有限公司) from February 2015 to September 2016 and at Suzhou Dike Transmission Machinery Co., Ltd. (蘇州迪科傳動機械有限公司) from November 2016 to February 2020.

Ms. Wei obtained her bachelor's degree in electrical engineering and automation from Soochow University (蘇州大學) in the PRC in December 2014.

SENIOR MANAGEMENT

The following table sets forth the key information about the senior management of our Company.

Name	Age	Position	Responsibilities	Date of the appointment as a senior management	Date of joining the Group
Dr. Hu Zhaoyang (胡朝陽)	56	Chairman of our Board, executive Director, and chief executive officer of our Company	Responsible for overall strategic planning and making key business and operational decisions for our Group	November 1, 2011	November 1, 2011
Mr. Hu Yong (胡勇)	40	Executive Director, vice general manager of operation and Board secretary of our Company	Responsible for the overall management of operation of our Group	December 8, 2020	February 20, 2012
Ms. Zhou Hong (周紅)	40	Executive Director and chief financial officer of our Company	Responsible for the overall financial management and corporate financing of our Group	December 8, 2020	October 8, 2012

For the biographical details of Dr. Hu Zhaoyang, Mr. Hu Yong and Ms. Zhou Hong, see “— Directors — Executive Directors” in this section.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Ms. Chan Lok Tung (陳樂彤), was appointed as our company secretary on October 8, 2025 with effect from the Listing Date.

Ms. Chan is a manager of Universe Corporate Services Limited. She has over 6 years of experience in handling listed company secretarial and compliance related matters.

Ms. Chan obtained her bachelor's degree of business administration (Honours) in accountancy from the City University of Hong Kong in July 2016. She is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of our Directors after having made all reasonable enquiries:

- (i) save as disclosed above, none of our Directors, Supervisors, or senior management has held any directorship in any public company of which the securities are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this prospectus;
- (ii) none of our Directors, Supervisors, or members of the senior management of our Company were related to any other Directors, Supervisors or members of the senior management;
- (iii) save as disclosed in "Statutory and General Information," none of our Directors, Supervisors, or the chief executive officer of our Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and
- (iv) there are no additional matter with respect to the appointment of our Directors or Supervisors that need to be brought to the attention of the Shareholders, and there is no additional information relating to our Directors or Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors (excluding our independent non-executive Directors) confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirmed that he or she (i) had obtained the legal advice referred to under Rule 3.09D of the Listing Rules on October 21, 2025; and (ii) understood his or her obligations as a director of a listed issuer under the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his or her independence in regard to each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she had no past or present financial or other interest in the business of our Company or its subsidiary or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there were no other factors that may affect his or her independence at the time of his or her appointments. Each of our independent non-executive Directors will inform us and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his or her independence.

BOARD COMMITTEES

We have established four Board Committees in accordance with the relevant PRC laws and regulations, the Articles of Association and the Corporate Governance Code, namely the Audit Committee, the Nomination Committee, and the Remuneration Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. Xu Haoping, Mr. Zhang Wei and Dr. Wang Fei, with Dr. Xu Haoping currently serving as the chairperson. Mr. Zhang Wei has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

- (i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;
- (ii) examining the financial information of our Company and reviewing financial reports and statements of our Company;
- (iii) examining the financial reporting system, the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and
- (iv) dealing with other matters that are authorized by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Wang Fei, Dr. Xu Haoping and Dr. Hu Zhaoyang, with Dr. Wang Fei currently serving as the chairperson. The primary duties of the Nomination Committee include, but are not limited to, the following:

- (i) conducting extensive searches and providing our Board with suitable candidates for our Directors, general managers and other members of the senior management;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- (ii) reviewing the structure, size and composition of our Board (including but not limited to, gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) at least annually, assisting our Board in maintaining a board skills matrix and making recommendations on any proposed changes to our Board to complement our Company's corporate strategy;
- (iii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- (iv) assessing the independence of the independent non-executive Directors;
- (v) supporting our Company's regular evaluation of our Board's performance; and
- (vi) dealing with other matters that are authorized by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Mr. Zhang Wei, Dr. Wang Fei and Dr. Hu Zhaoyang, with Mr. Zhang Wei currently serving as the chairperson. The primary duties of the Remuneration Committee include, but are not limited to, the following:

- (i) advising our Board on the overall remuneration plan and structure of our Directors, Supervisors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of our Company;
- (ii) monitoring the implementation of the remuneration system of our Company;
- (iii) making recommendations on the remuneration packages of our Directors, Supervisors and senior management; and
- (iv) other duties conferred by our Board.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The Strategy Committee consists of three Directors, namely Dr. Hu Zhaoyang, Dr. Wang Fei and Mr. Ng Ho Nam, with Dr. Hu Zhaoyang currently serving as the chairperson. The primary duties of the Strategy Committee include, but are not limited to, the following:

- (i) devising the long-term development strategies of our Company;
- (ii) advising our Board on the overall strategic direction and significant business or investment decisions of our Company; and
- (iii) other duties conferred by our Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with but may choose to deviate from, the requirement for the responsibilities between the chairperson and the chief executive officer to be segregated and should not be performed by the same individual. We do not have a separate chairperson and chief executive officer, and Dr. Hu currently performs these two roles. Our Board believes that vesting the roles of both the chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning and implementation of our Board's decisions for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairperson of our Board and the chief executive officer of our Company if and when it is appropriate, taking into account the circumstances of our Group as a whole.

Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the Listing.

BOARD DIVERSITY POLICY

We have adopted our Board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of our Board in order to enhance its effectiveness. In accordance with our Board diversity policy, our Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, industry experience, cultural and education background, professional experience, skills, knowledge and/or length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on our Board as well as the specific needs of our Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as overall management and strategic development. They have obtained degrees in various areas, including electronic engineering, optoelectronics and nanophysics, accounting and management. Furthermore, our Board has diverse age and gender representation. Our Board currently comprises two female Directors and seven male Directors, ranging from 32 years old to 56 years old.

With regard to gender diversity on our Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. Our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess the qualities required to become our Board members, which will be reviewed by the Nomination Committee periodically to maintain gender diversity of our Board. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our board diversity policy.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Upon the Listing, the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update our Board diversity policy to ensure that the policy remains effective. Our Company will disclose the biographical details of each Director and report on the implementation of our Board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

DIRECTORS' AND SUPERVISORS' REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST-PAID INDIVIDUALS

Our Directors, Supervisors and senior management members who receive remuneration from our Company are paid in the forms of salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment. The remuneration of our Directors, Supervisors and senior management members is determined with reference to the remuneration paid by comparable companies and the achievement of major operating indicators of our Company.

The aggregate amount of remuneration (including salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment) and other benefits in kind paid to our Directors and Supervisors for the years ended December 31, 2023, 2024 and 2025 amounted to RMB13.5 million, RMB14.3 million and RMB17.3 million, respectively.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 include one, two and two Directors, respectively. During the same periods, the aggregate amount of remuneration (including salaries and allowances, discretionary bonuses and contributions to retirement schemes) of the remaining four, three and three highest-paid individuals who are neither Directors nor Supervisors were RMB3.4 million, RMB2.7 million and RMB4.6 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors and Supervisors for the year ending December 31, 2026 to be approximately RMB26.5 million. The actual remuneration of our Directors and Supervisors for 2026 may be different from the expected remuneration.

We confirmed that during the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any subsidiary of our Company.

During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or our subsidiary to our Directors, Supervisors or the five highest-paid individuals during the Track Record Period.

COMPLIANCE ADVISER

Our Company has appointed Gram Capital Limited as our Compliance Adviser in compliance with Rules 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury share and share repurchases;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- (iii) where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry to our Company in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

SHARE CAPITAL

BEFORE THE COMPLETION OF THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company was RMB76,110,545, comprising 76,110,545 Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Shares, assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company
		(%)
Unlisted Shares	—	—
H Shares to be converted from Unlisted Shares ⁽¹⁾	76,110,545	85.00
H Shares to be issued under the Global Offering	13,431,500	15.00
Total	89,542,045	100.00

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the Listing, see “History, Development and Corporate Structure — Capitalization of our Company.”

Immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Shares, assuming that the Over-allotment Option is fully exercised and no Shares are issued under the Pre-IPO Share Option Scheme, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company
		(%)
Unlisted Shares in issue	—	—
H Shares to be converted from Unlisted Shares ⁽¹⁾	76,110,545	83.13
H Shares to be issued under the Global Offering	15,446,200	16.87
Total	91,556,745	100.00

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the Listing, see “History, Development and Corporate Structure — Capitalization of our Company.”

OUR SHARES

The H Shares, to be issued following the completion of the Global Offering and converted from the Unlisted Shares, and the Unlisted Shares are ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, investors of the PRC. The H Shares may only be subscribed for, and traded in, Hong Kong dollars.

SHARE CAPITAL

The Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

The Unlisted Shares are currently not listed or traded on any stock exchange.

According to the regulations by the CSRC and our Articles of Association, the holders of these Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares upon the Global Offering, and such converted Shares may be listed and traded on an overseas stock exchange, provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the approvals of any internal approval process and/or the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the Global Offering to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the listing of additional Shares after the Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our listing in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing the converted shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**,” and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price, for such number of Offer Shares (rounded down to the nearest whole board lot of 50 H Shares) that may be purchased for an aggregate amount of approximately HK\$763.38 million (calculated based on the Offer Price and the exchange rates as disclosed in “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this prospectus) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee (the “**Cornerstone Placing**”).

Pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules, at least 40% of the total number of Offer Shares initially offered in the Global Offering must be allocated to investors in the placing tranche (other than the Cornerstone Investors). As our Company is initially offering approximately 10% of the total number of Offer Shares in the Hong Kong Public Offering, no more than 50% of the total number of the Offer Shares initially offered in the Global Offering can be allocated to all Cornerstone Investors (the “**Cornerstone Placing Allocation Limit**”). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that our Company, the Sole Sponsor and the Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Accordingly, our Company, the Sole Sponsor and the Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements where necessary based on the final Offer Price to ensure compliance with the Cornerstone Placing Allocation Limit, and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of our Company to be published on or around June 26, 2026.

We believe that the Cornerstone Placing signifies our Cornerstone Investors’ confidence in our Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of our Company. We became acquainted with each of the Cornerstone Investors through our business connections and/or introduction by the Sponsor-Overall Coordinator of the Global Offering.

The table below reflects the shareholding percentage immediately after the completion of the Global Offering based on the Offer Price of HK\$114.00 per Offer Share:

	Total number of Offer Shares to be subscribed by the Cornerstone Investors ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised	
		Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
Assuming an Offer Price of HK\$114.00 per H Share . . .	6,696,150	49.85%	7.48%	43.35%	7.31%

Note:

(1) Rounded down to the nearest whole board lot of 50 H Shares.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors (for Cornerstone Investor(s) who will subscribe for the Offer Shares through qualified domestic institutional investor(s) (the “**QDII(s)**”),

CORNERSTONE INVESTORS

plus the QDII(s), and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors (for Cornerstone Investor(s) who will subscribe for the Offer Shares through QDII(s), plus the QDII(s)) will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering and, other than the Offer Shares to be subscribed for by JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP), will be counted towards the public float of our Company under Rule 19A.13A of the Listing Rules and in compliance with the requirement under Rule 8.08(3) of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company, and other than JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP), none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide.

To the best knowledge of our Company, among the Cornerstone Investors, JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP) is a close associate of our existing Shareholders, namely, Beijing InfoDev Fund and Beijing ETDA Upgrade Fund II. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 9.09(b), 10.04 of the Listing Rules, and consent under paragraph 18 of Chapter 4.15 of the Guide to permit subscription of Offer Shares by such Cornerstone Investor. For further details, see “Waivers from Strict Compliance with the Listing Rules — Allocation of Offer Shares to Close Associate of an Existing Shareholder as Cornerstone Investor.”

To the best knowledge of our Company, the Sole Sponsor and the Sponsor-Overall Coordinator, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. Our Company will seek the Stock Exchange’s consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

Save as disclosed in this section, to the best knowledge and belief of our Company, (i) other than (a) JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP), which is a close associate of our existing Shareholders, and (b) Kingsoft Cloud Holdings Limited, which was beneficially owned as to approximately 10.29% by Lei Jun (雷軍) (the ultimate controlling shareholder of Xiaomi Zhizao, one of our Pre-IPO Investors) through Xiaomi Corporation and its subsidiary, each of the Cornerstone Investors (for Cornerstone Investor(s) who will subscribe for the Offer Shares through QDII(s), plus the QDII(s)) is an independent third party; (ii) other than JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP), which is a close associate of our existing Shareholders, none of the Cornerstone Investors (for Cornerstone Investor(s) who will subscribe for the Offer Shares through QDII(s), plus the QDII(s)) is accustomed to taking instructions from our Company, the Directors, the Supervisors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of our Company or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) other than JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP), which is a close associate of our existing Shareholders, none of the subscriptions of the

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relevant Offer Shares by any of the Cornerstone Investors (for Cornerstone Investor(s) who will subscribe for the Offer Shares through QDII(s), plus the QDII(s)) is financed by our Company, the Directors, the Supervisors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of our Company or any of their respective subsidiaries or their respective close associates; (iv) each Cornerstone Investor will be utilizing its internal financial resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares, and each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (v) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. In addition, to the best knowledge of our Company, save as otherwise disclosed, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have agreed to fully pay for the relevant Offer Shares that they have subscribed for before dealings in the H Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that, our Company, the Sole Sponsor and the Sponsor-Overall Coordinator may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe for on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. Where delayed delivery takes place, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. Accordingly, there will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around June 26, 2026.

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The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	Subscription amount	Number of Offer Shares ⁽⁴⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
(HKD) ⁽¹⁾⁽²⁾						
Based on the Offer Price of HK\$114.00						
JSC International Investment Fund						
SPC (acting for and on behalf of						
Jingxin SP)	250,000,000	2,192,950	16.33%	2.45%	14.20%	2.40%
Winwin Technology.	200,000,000	1,754,350	13.06%	1.96%	11.36%	1.92%
Kingsoft Cloud Network	39,172,500 ⁽³⁾	343,600	2.56%	0.38%	2.22%	0.38%
UBS AM Singapore.	156,690,000 ⁽³⁾	1,374,450	10.23%	1.53%	8.90%	1.50%
Perseverance Asset Management . .	78,345,000 ⁽³⁾	687,200	5.12	0.77%	4.45%	0.75%
E Fund	39,172,500 ⁽³⁾	343,600	2.56	0.38%	2.22%	0.38%
Total	763,380,000	6,696,150	49.85%	7.48%	43.35%	7.31%

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Notes:

- (1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.
- (2) Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that our Company, the Sole Sponsor and the Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Our Company, the Sole Sponsor and the Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements where necessary based on the final Offer Price and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of our Company to be published on or around June 26, 2026.
- (3) Converted to Hong Kong dollars based on the exchange rates as disclosed in “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this prospectus.
- (4) Rounded down to the nearest whole board lot of 50 H Shares.
- (5) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

The information about the Cornerstone Investors sets forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP)

JSC International Investment Fund SPC has entered into a Cornerstone Investment Agreement acting for and on behalf JSC International Investment Fund SPC-Jingxin SP (“**Jingxin SP**”), a segregated portfolio of JSC International Investment Fund SPC. Jingxin SP is indirectly wholly owned by Jingquan Jingxin (Beijing) Equity Investment Fund Partnership (Limited Partnership) (璟泉京芯(北京)股權投資基金合夥企業(有限合夥)) (“**JSC Jingxin (Beijing)**”). The general partner of JSC Jingxin (Beijing) is JSC Management Consulting (Beijing) Co., Ltd. (璟泉善誠管理諮詢(北京)有限公司) (“**JSC Management Consulting (Beijing)**”), holding 0.25% partnership interest therein. JSC Management Consulting (Beijing) is controlled by Beijing Financial Holdings Group Co., Ltd. (北京金融控股集團有限公司). Beijing Financial Holdings Group Co., Ltd. is wholly owned by Beijing State Owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司), which is in turn wholly owned by State-owned Assets Supervision and Administration Commission of the Beijing Municipal People’s Government (北京市人民政府國有資產監督管理委員會) (“**Beijing SASAC**”). Beijing Jingneng Green Energy M&A Investment Fund (Limited Partnership) (北京京能綠色能源並購投資基金(有限合夥)) (“**Beijing Jingneng**”), a limited partnership established in the PRC, is a limited partner of JSC Jingxin (Beijing) holding 99.75% partnership interest therein. Beijing Jingneng Tongxin Investment Management Co., Ltd. (北京京能同鑫投資管理有限公司) (“**Beijing Jingneng Tongxin**”) is the general partner of Beijing Jingneng, and the sole limited partner of Beijing Jingneng is Beijing Energy Group Co., Ltd. (北京能源集團有限責任公司) (“**Beijing Energy Group**”), holding 88.00% partnership interest therein. Both Beijing Jingneng Tongxin and Beijing Energy Group are wholly owned by Beijing SASAC.

Winwin Technology

Winwin Technology Investment Co., Limited (雙贏科技投資有限公司) (“**Winwin Technology**”) is a company incorporated in Hong Kong on May 22, 2025. It is wholly owned by Biwin Semiconductor (HK) Company Limited (佰維存儲科技有限公司), which is in turn wholly owned by Biwin Storage Technology Co., Ltd. (深圳佰維存儲科技股份有限公司) (“**Biwin Storage**”), a company listed on the Shanghai Stock Exchange (stock code: 688525).

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In the second quarter of 2026, our Company entered into a strategic cooperation agreement with Biwin Storage for cooperation on the development and commercialization of CPO/NPO solutions for AI computing infrastructure applications on arm's length basis. Such strategic cooperation is conducive to enhancing industrial synergies between Biwin Storage and our Company and leveraging our respective strengths.

Kingsoft Cloud Network

Kingsoft Cloud Network Corporation Limited (金山雲網絡有限公司) (“**Kingsoft Cloud Network**”) is a company incorporated in Hong Kong with limited liability. Its principal activity is investment holding. Kingsoft Cloud Network is a subsidiary of Kingsoft Cloud Holdings Limited, a company listed on the Stock Exchange (stock code: 3896) and NASDAQ (ticker: KC). Kingsoft Cloud Holdings Limited is principally engaged in the provision of cloud services.

UBS AM Singapore

UBS Asset Management (Singapore) Ltd. (“**UBS AM Singapore**”), a company incorporated in Singapore in December 1993, has entered into a Cornerstone Investment Agreement as the delegate of the investment manager for and on behalf of the following funds: (i) UBS (Lux) Equity Fund — Greater China (USD); (ii) UBS (Lux) Equity Fund — China Opportunity (USD); (iii) UBS (HK) Fund Series — China Opportunity Equity (USD); (iv) UBS (Lux) Equity SICAV — All China (USD); (v) UBS (CAY) China A Opportunity; and (vi) certain other segregated accounts and mandates. To the best of UBS AM Singapore's knowledge, no single ultimate beneficial owner holds 30% or more interest in those funds.

UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, an investment management company, which is wholly ultimately owned by UBS Group AG, which is a company organized under Swiss law as a corporation that has issued shares of common stock to investors. UBS Group AG's shares are listed on the SIX Swiss Exchange (stock code: UBSG) and the New York Stock Exchange (stock code: UBS).

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. (“**Perseverance Asset Management**”) acts as the investment advisor or investment manager of certain investment funds and/or separated managed accounts (collectively the “**Perseverance Funds**”). No single ultimate beneficial owner holds 30% or more interests in each of the Perseverance Funds. Each of the Perseverance Funds is an independent third party. Perseverance Asset Management is a private limited company incorporated in Singapore in October, 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an independent third party. Certain investments funds for which Perseverance Asset Management acts as the investment advisor or investment manager invested in Zijin Gold International Company Limited (紫金黃金國際有限公司) (stock code: 2259), Contemporary Amperex Technology Co. Limited (寧德時代新能源科技股份有限公司) (stock code: 3750) and Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司) (stock code: 6669) as cornerstone investor. Perseverance Asset Management is entering into the cornerstone investment agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

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E Fund

E Fund Management Co., Ltd. (易方達基金管理有限公司) (“**E Fund Management**”), is a leading comprehensive asset management company in the PRC. E Fund Management is a QDII approved by the relevant PRC authority and targets at companies with competitive edge over its competitors. E Fund Management is a fund manager managing assets on behalf of its underlying clients. The shareholders of E Fund Management include (1) Guangdong Finance Trust Co., Ltd. (廣東粵財信託有限公司), which is ultimately owned by The People’s Government of Guangdong Province (廣東省人民政府), (2) GF Securities Co., Ltd. (廣發証券股份有限公司) (“**GF Securities**”), which is listed on the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), and (3) Infore Group Co., Ltd (盈峰集團有限公司), which is ultimately owned by He Jianfeng (何劍鋒), each holding 22.65% in E Fund Management and an independent third party. None of the remaining shareholders of E Fund Management owns 30% or more equity interest therein.

E Fund Management (Hong Kong) Co., Ltd. (易方達資產管理(香港)有限公司) (“**E Fund HK**”, together with E Fund Management, “**E Fund**”), a company incorporated in Hong Kong in August 2008, is a wholly-owned subsidiary of E Fund Management. E Fund HK is licensed for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities by the SFC. E Fund HK serves as the global investment and business platform for its parent company, E Fund Management. As E Fund Management’s gateway company overseas E Fund HK strategically connects China with the overseas market. E Fund HK leverages the investment and research capabilities of E Fund Management and its competitive advantage in the overseas market to provide comprehensive and quality service to its clients.

Each of E Fund Management and E Fund HK has entered into the Cornerstone Investment Agreement for and on behalf of certain managed funds. No ultimate beneficial owner holds 30% or more interests in such funds.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;
- (ii) the Offer Price having been agreed upon between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters);
- (iii) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares to be subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iv) the CSRC having accepted the CSRC filings and published the filing results in respect of the CSRC Filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

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- (v) no laws shall have been enacted or promulgated by any governmental authorities which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (vi) the respective representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

SUBSTANTIAL SHAREHOLDERS

As far as our Directors are aware, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme) and the conversion of the Unlisted Shares into H Shares, the following persons will have an interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme)		
		Number and description of the Shares	Approximate percentage of interest in our Company	Number and description of the Shares	Approximate percentage of interest in the relevant type of Shares ⁽¹⁾	Approximate percentage of interest in our Company ⁽¹⁾
			%		%	%
Dr. Hu	Beneficial owner	8,452,320 Unlisted Shares	11.11	8,452,320 H Shares	9.44	9.44
	Interest in controlled corporation ⁽²⁾	7,616,040 Unlisted Shares	10.00	7,616,040 H Shares	8.51	8.51
Suzhou Haiyi ⁽²⁾	Beneficial owner	4,743,660 Unlisted Shares	6.23	4,743,660 H Shares	5.30	5.30
Suzhou Ronglian VC . . .	Beneficial owner	5,294,880 Unlisted Shares	6.96	5,294,880 H Shares	5.91	5.91
Suzhou Ronglian High-tech Venture ⁽³⁾ . .	Interest in controlled corporation	5,294,880 Unlisted Shares	6.96	5,294,880 H Shares	5.91	5.91
Suzhou New DISTRICT HI-TECH ⁽³⁾	Interest in controlled corporation	5,294,880 Unlisted Shares	6.96	5,294,880 H Shares	5.91	5.91
Kong Jianhua ⁽³⁾⁽⁴⁾	Interest in controlled corporation	7,215,780 Unlisted Shares	9.48	7,215,780 H Shares	8.06	8.06
Sugaixin Group ⁽³⁾⁽⁴⁾ . . .	Interest in controlled corporation	7,810,800 Unlisted Shares	10.26	7,810,800 H Shares	8.72	8.72
Tianjin TEDA	Beneficial owner	5,025,180 Unlisted Shares	6.60	5,025,180 H Shares	5.61	5.61
Nanjing Xieli ⁽⁵⁾	Interest in controlled corporation	6,380,460 Unlisted Shares	8.38	6,380,460 H Shares	7.13	7.13
Yunshan Capital ⁽⁵⁾	Interest in controlled corporation	6,897,720 Unlisted Shares	9.06	6,897,720 H Shares	7.70	7.70
Jiangsu Communications ⁽⁵⁾	Interest in controlled corporation	6,897,720 Unlisted Shares	9.06	6,897,720 H Shares	7.70	7.70
Bondshine Capital ⁽⁶⁾ . . .	Interest in controlled corporation	5,271,720 Unlisted Shares	6.93	5,271,720 H Shares	5.89	5.89
Gao Chong ⁽⁶⁾	Interest in controlled corporation	5,271,720 Unlisted Shares	6.93	5,271,720 H Shares	5.89	5.89
Ling Mingsheng ⁽⁶⁾	Interest in controlled corporation	5,271,720 Unlisted Shares	6.93	5,271,720 H Shares	5.89	5.89
Beijing State Owned Capital Operation and Management Co., Ltd. ⁽⁷⁾	Interest in controlled corporation	4,291,948 Unlisted Shares	5.64	6,484,898 H Shares	7.24	7.24
Beijing SASAC ⁽⁷⁾	Interest in controlled corporation	4,291,948 Unlisted Shares	5.64	6,484,898 H Shares	7.24	7.24

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- (1) The calculation is based on the total number of 89,542,045 H Shares in issue upon Listing comprising (i) an aggregate of 76,110,545 H Shares to be converted from the Unlisted Shares and (ii) 13,431,500 H Shares to be issued pursuant to the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Over-allotment Option and assuming no Shares are issued under the Pre-IPO Share Option Scheme).
- (2) As of the Latest Practicable Date, Dr. Hu was the general partner of our Employee Incentive Platforms. As a result, Dr. Hu is deemed to be interested in the 7,616,040 Shares held by these Employee Incentive Platforms (Suzhou Haiyi and Suzhou Haixu) under the SFO.
- (3) As of the Latest Practicable Date, Suzhou Ronglian High-tech Venture was the general partner of Suzhou Ronglian VC. Suzhou Ronglian High-tech Venture was owned as to 40.00% by Suzhou New DISTRICT HI-TECH and 38.00% by Kong Jianhua. Suzhou New DISTRICT HI-TECH was owned as to 43.79% by Sugaoxin Group, which was in turn owned as to approximately 90.63% by Huqiu Government.

As a result, each of Suzhou Ronglian High-tech Venture, Suzhou New DISTRICT HI-TECH, Kong Jianhua and Sugaoxin Group is deemed to be interested in the 5,294,880 Shares held by Suzhou Ronglian VC under the SFO.

- (4) Suzhou Huiqi is the beneficial owner of 1,920,900 Shares. As of the Latest Practicable Date, its general partner was Suzhou High Tech Venture Capital Group Rongxiang Investment Management Co., Ltd. (蘇州高新創業投資集團融享投資管理有限公司), which was owned as to 47.00% by Kong Jianhua and 35.00% by Gaoxin VC. Gaoxin VC was owned as to approximately 85.03% by Suzhou Jinhesheng Holdings Co., Ltd. (蘇州金合盛控股有限公司), which was in turn owned as to approximately 50.20% by Sugaoxin Group.

Jusheng VC is the beneficial owner of 344,880 Shares. As of the Latest Practicable Date, Jusheng VC was wholly-owned by Gaoxin VC.

Jingu Yuanxin is the beneficial owner of 250,140 Shares. As of the Latest Practicable Date, its general partner was Gaoxin VC.

As a result, Kong Jianhua is deemed to be interested in the 1,920,900 Shares held by Suzhou Huiqi under the SFO, and Sugaoxin Group is deemed to be interested in the 2,515,920 Shares held by Suzhou Huiqi, Jusheng VC and Jingu Yuanxin under the SFO.

- (5) Suzhou Xieli VC is the beneficial owner of 3,547,440 Shares. As of the Latest Practicable Date, Suzhou Xieli VC was owned as to 64.00% by Nanjing Xieli. Nanjing Xieli was wholly-owned by Yunshan Capital, which was in turn wholly-owned by Jiangsu Communications. Jiangsu Communications was wholly-owned by People's Government of Jiangsu Province.

Suzhou Junshixieli is the beneficial owner of 2,833,020 Shares. As of the Latest Practicable Date, Suzhou Junshixieli was owned as to 59.00% by Nanjing Xieli.

Junding Xieli is the beneficial owner of 517,260 Shares. As of the Latest Practicable Date, Junding Xieli was owned as to 59.00% by Yunshan Capital.

As a result, Nanjing Xieli is deemed to be interested in the 6,380,460 Shares held by Suzhou Xieli VC and Suzhou Junshixieli, and each of Yunshan Capital and Jiangsu Communications is deemed to be interested in the 6,897,720 Shares held by Suzhou Xieli VC, Suzhou Junshixieli and Junding Xieli under the SFO.

- (6) Jiangsu Gaotou Bondshine is the beneficial owner of 3,378,960 Shares. As of the Latest Practicable Date, its general partner was Bondshine Capital Co., Ltd., which was in turn owned as to 65.00% by Bondshine Capital. Bondshine Capital was owned as to approximately 44.62% by Gao Chong and approximately 33.85% by Ling Mingsheng.

Bangsheng Juyuan is the beneficial owner of 185,760 Shares. As of the Latest Practicable Date, its general partner was Bondshine Capital.

Suzhou Bangsheng Yingxin is the beneficial owner of 1,707,000 Shares. As of the Latest Practicable Date, its general partner was Nanjing Bangsheng Juhong Venture Capital Partnership (Limited Partnership), which was in turn managed by Bondshine Capital.

As a result, each of Bondshine Capital, Gao Chong and Ling Mingsheng is deemed to be interested in the 5,271,720 Shares held by Jiangsu Gaotou Bondshine, Bangsheng Juyuan and Suzhou Bangsheng Yingxin under the SFO.

- (7) Beijing InfoDev Fund is the beneficial owner of 4,291,948 Shares. As of the Latest Practicable Date, the executive partners of Beijing InfoDev Fund were Jingguo Guan and Legend Capital. Jingguo Guan was wholly owned by Beijing State-owned Capital Operation and Management Company Limited, which was in turn wholly owned by Beijing SASAC.

JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP) is the beneficial owner of 2,192,950 Shares subscribed in the Cornerstone Placing. As of the Latest Practicable Date, Jingxin SP was indirectly wholly owned by JSC Jingxin (Beijing). The general partner of JSC Jingxin (Beijing) was JSC Management Consulting (Beijing), holding

SUBSTANTIAL SHAREHOLDERS

0.25% partnership interest therein. JSC Management Consulting (Beijing) was controlled by Beijing Financial Holdings Group Co., Ltd. Beijing Financial Holdings Group Co., Ltd. was owned by Beijing State Owned Capital Operation and Management Co., Ltd., which was in turn wholly owned by Beijing SASAC.

As a result, each of Beijing State Owned Capital Operation and Management Co., Ltd. and Beijing SASAC is deemed to be interested in the 6,484,898 Shares held by Beijing InfoDev Fund and JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP) under the SFO.

Apart from the 6,484,898 Shares held by Beijing InfoDev Fund and JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP), Beijing ETDA Upgrade Fund II, an existing Shareholder ultimately controlled by Beijing Economic-Technological Development Area Finance and State-owned Assets Bureau (北京經濟技術開發區財政國資局) (a state-owned assets supervisory authority at different administrative levels from Beijing SASAC under Beijing governmental authorities), was also interested in approximately 5.64% of the total issued Shares as of the Latest Practicable Date and will hold approximately 4.79% of the total issued Shares upon the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme.)

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme) and the conversion of the Unlisted Shares into H Shares, have any interest and/or short position in the Shares or underlying shares of our Company which will be required to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or any other member of our Group.

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The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this prospectus.

OVERVIEW

We are a provider of optoelectronic interconnection products, offering optical transceivers, active optical cables ("AOC"), and other products. Our optoelectronic interconnection products are widely deployed in AI data centers to support high-speed, high-density and energy-efficient data transmission. We establish end-to-end technological capabilities spanning from chip design to optical transceiver manufacturing, with a focus on silicon photonics ("SiPh") technology.

Our optical transceiver portfolio covers 100G, 200G, 400G and 800G transmission speeds and is compatible with various industry-standard form factors. All of our single-mode optical transceivers of 400G and above adopt SiPh technology. Our AOC and other products are diversified to meet varying customer requirements, generating synergies across our product portfolio and creating cross-selling opportunities.

According to Frost & Sullivan, we ranked seventeenth globally among optical transceiver providers by revenue in 2025, with a global market share of 0.8% in terms of revenue in 2025. According to the same source, we ranked eighth globally among Chinese optical transceiver providers in terms of AI optical transceivers, with a global market share of 1.6% by revenue in 2025.

We focus on the next generation of optoelectronic interconnection technologies. In particular, we are developing:

- PCIe AEC and PCIe AOC products;
- 1.6T, 3.2T and other next-generation high-speed optoelectronic interconnection products; and
- advanced optoelectronic interconnection technologies, including near-packaged optics ("NPO") and co-packaged optics ("CPO").

BASIS OF PRESENTATION

As set out in note 29 to the historical financial information, certain of the ordinary shares issued by our Company included redemption right granted to certain shareholders according to their investment agreements entered into with our Company. Pursuant to the supplemental agreements entered into subsequently between our Company and the foregoing shareholders in relation to the termination of redemption right granted by our Company are void ab initio, having taking into account

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the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplementary agreements, our Directors considered that it is appropriate to present such capital paid in by those shareholders with redemption right as equity throughout the Relevant Periods.

The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for derivative financial instruments and financial assets at fair value through profit or loss which have been measured at fair value.

The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to make judgements, estimates and assumptions in the process of applying our accounting policies. Judgements made by the management in the application of IFRS Accounting Standards that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report included in Appendix I to this prospectus.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations have been, and are expected to continue to be, materially affected by the following major factors:

Market Demand for Our Products

Our results of operations have been and are expected to be affected by the market demand for our products. Driven by the rapid development of AI, cloud computing and intelligent products, the global optoelectronic interconnection industry presents significant growth potential. According to Frost & Sullivan, the global market size of AI optical transceivers by sales value is expected to increase at a CAGR of 37.1% from RMB71.8 billion in 2025 to RMB347.5 billion in 2030.

In response to these expanding market opportunities, we have proactively implemented a series of strategic initiatives to optimize our product portfolio, strengthen our technology reserves and continuously expand production capacity, thereby better serving customer needs. We believe we are well positioned to capture the substantial growth potential of the optoelectronic interconnection industry.

Our Ability to Continuously Upgrade and Expand our Solution Offerings

Our ability to continuously upgrade and expand our solution offerings is a key driver of our results of operations and financial condition. Through sustained R&D efforts, we have continued to upgrade and optimize our solution offerings to keep pace with technology trends and customer demands. In 2023, 2024 and 2025, our research and development expenses amounted to RMB42.3 million, RMB63.8 million, and RMB104.3 million, respectively.

Our profitability is also affected by changes in product mix. We offer a wide range of optoelectronic interconnection products to address different application scenarios and diverse customer demands. In addition, we customize our solutions for many of our customers to satisfy their particular needs. As a result, variations in product composition may materially impact our overall gross profit margin. Products launched earlier in their technology cycle often enjoy first-mover advantages and

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higher gross margins, which may narrow as competition intensifies. Accordingly, our ability to achieve technological breakthroughs and to accelerate product iteration is critical to capture emerging demand and support our revenue growth and profitability.

Our Ability to Maintain Key Customers and Expand Our Customer Base

We are committed to strengthening relationships with key existing customers while continuously expanding our global customer base. Leveraging our proprietary technologies, we work closely with customers to anticipate and address their evolving needs through continuous technological innovation, technical support and product iteration, especially under our JDM model. As we increasingly derived revenue under the JDM model during the Track Record Period, our gross profit margins were significantly influenced by the JDM model's performance, which fluctuates depending on our collaboration dynamics with respective customers, including large domestic customers with strong bargaining power. With a broader customer mix under the JDM model, including those from overseas markets and customers of various scales, we expect to enhance greater profitability potential.

Our Ability to Manage Costs and Improve Operational Efficiency

Our ability to manage costs and improve operational efficiency is critical to our success and profitability. In 2023, 2024 and 2025, our cost of sales amounted to RMB206.6 million, RMB760.0 million, and RMB1,111.3 million, respectively, accounted for 117.9%, 88.2% and 91.0% of our total revenue, respectively. Our cost of sales consists primarily of raw material costs, staff costs, depreciation, utilities expenses and others. Changes in any major component could materially affect our gross profit and gross profit margin.

Moreover, our ability to effectively manage our operating expenses would also substantially impact our profitability. Our operating expenses, comprising selling and marketing expenses, research and development expenses and administrative expenses, amounted to RMB72.4 million, RMB104.8 million and RMB194.2 million in 2023, 2024 and 2025, accounting for 41.3%, 12.2%, and 15.9% of our total revenue during the same periods, respectively.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. For details of our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 2.3 and 3 to the Accountants' Report in Appendix I to this prospectus.

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PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

During the Track Record Period, our revenue was primarily derived from (i) optical transceivers, (ii) AOC, and (iii) others, mainly comprising optoelectronic components, such as OSA and COB assemblies, as well as raw materials, including PCBA and other related components.

Cost of Sales

Our cost of sales primarily includes (i) raw material costs, (ii) staff costs, (iii) depreciation, (iv) utilities expenses, (v) inventory impairment loss and (vi) others.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin

Our gross (loss)/profit represents our revenue less our cost of sales, and our gross (loss)/profit margin represents our gross (loss)/profit divided by our revenue, expressed as a percentage.

Other Income and Gains

Our other income and gains comprise (i) interest income, (ii) government subsidies, (iii) fair value gains on financial assets at fair value through profit or loss, (iv) fair value gains/(losses) on derivative financial instruments, and (v) net exchange differences.

Selling and Marketing Expenses

Our selling and marketing expenses comprise (i) staff costs, (ii) sample expenses, (iii) advertising and promotion expenses, (iv) business entertainment expenses, (v) professional service fees, and (vi) others.

Research and Development Expenses

Our research and development expenses comprise (i) staff costs, (ii) raw materials consumed, (iii) depreciation and amortization, (iv) professional service fees, (v) mold costs, (vi) utilities expenses, and (vii) others.

Administrative Expenses

Our administrative expenses comprise (i) staff costs, (ii) professional service fees, (iii) depreciation and amortization, (iv) utilities expenses, (v) business entertainment expenses, and (vi) others.

(Impairment)/Reversal of Impairment of Financial Assets, Net

Our net (impairment)/reversal of impairment of financial assets primarily relates to our impairment and collection of our trade receivables.

Other Expenses and Losses

Our other expenses and losses mainly comprise (i) net exchange differences, (ii) impairment of items of property, plant and equipment, and (iii) others.

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Finance Costs

Our finance costs comprise (i) interest on bank and other borrowings, and (ii) interest on lease liabilities.

Fair Value Gains/(Losses) on Derivative Financial Instruments

Our fair value gains/(losses) on derivative financial instruments primarily relates to our (i) wealth management product, and (ii) forward foreign exchange contract for hedging purposes.

Income Tax Expenses

Our income tax expenses comprise (i) current income tax, and (ii) deferred tax. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our members are domiciled or operated.

Our principal applicable taxes and tax rates are set forth as follows:

Chinese Mainland

Under the Law on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate for our subsidiaries in Chinese mainland is 25% unless subject to preferential tax.

We were qualified as a High and New Technology Enterprise (“**HNTE**”) and were entitled to a preferential tax rate of 15% during the Track Record Period. This qualification is subject to review by the relevant tax authority for every three years.

Singapore

Our subsidiary incorporated in Singapore is subject to Singapore profits tax at the rate of 17% for taxable income on any estimated assessable profits arising in Singapore during the Track Record Period.

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RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Revenue	175,338	100.0	861,832	100.0	1,221,063	100.0
Cost of sales	(206,642)	(117.9)	(760,019)	(88.2)	(1,111,307)	(91.0)
Gross (loss)/profit	(31,304)	(17.9)	101,813	11.8	109,756	9.0
Other income and gains	6,389	3.6	3,296	0.4	15,791	1.3
Selling and marketing expenses	(7,675)	(4.4)	(10,131)	(1.2)	(15,750)	(1.3)
Research and development expenses	(42,266)	(24.1)	(63,797)	(7.4)	(104,267)	(8.5)
Administrative expenses	(22,492)	(12.8)	(30,850)	(3.6)	(74,134)	(6.1)
Reversal of impairment/ (impairment) of Financial Assets, net	5,431	3.1	(1,973)	(0.2)	(2,755)	(0.2)
Other expenses and losses . . .	(13,072)	(7.5)	(7,559)	(0.9)	(9,653)	(0.8)
Finance costs	(3,252)	(1.9)	(8,537)	(1.0)	(19,126)	(1.6)
Fair value losses on derivative financial instruments	(323)	(0.2)	—	—	—	—
Loss before tax	(108,564)	(61.9)	(17,738)	(2.1)	(100,138)	(8.2)
Income tax expenses	—	—	(157)	(0.0)	—	—
Loss for the year	(108,564)	(61.9)	(17,895)	(2.1)	(100,138)	(8.2)
Other comprehensive (loss)income for the year, net of tax	—	—	(321)	(0.0)	114	0.0
Total comprehensive loss for the year	(108,564)	(61.9)	(18,216)	(2.1)	(100,024)	(8.2)

For details on the accounting treatment of redemption rights, see “Financial Information — Share Capital” and Note 29 to the Accountants’ Report set out in Appendix I to this prospectus.

Revenue

During the Track Record Period, we generated revenue from (i) optical transceivers, (ii) AOC, and (iii) others, mainly comprising optoelectronic components, such as OSA and COB assemblies, as well as raw materials, including PCBA and other related components. In 2023, 2024 and 2025, our revenue amounted to RMB175.3 million, RMB861.8 million and RMB1,221.1 million, respectively.

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Revenue by Business Line

The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Optical transceivers	123,845	70.6	589,721	68.5	923,944	75.7
AOC	46,057	26.3	151,116	17.5	248,127	20.3
Others	5,437	3.1	120,995	14.0	48,992	4.0
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

Comparison between 2024 and 2025. Our revenue increased from RMB861.8 million in 2024 to RMB1,221.1 million in 2025, primarily due to the following reasons:

- *Optical transceivers:* Revenue generated from optical transceivers increased from RMB589.7 million in 2024 to RMB923.9 million in 2025, primarily due to the increase in the sales volume of our optical transceivers from 562 thousand units in 2024 to 1,029 thousand units in 2025, mainly attributable to (i) our expanded customer base driven by the surging AI demand, particularly from leading internet companies operating data centers, and (ii) our broader product portfolio, especially the mass shipment of our 800G series products.
- *AOC:* Revenue generated from AOC increased from RMB151.1 million in 2024 to RMB248.1 million in 2025, primarily due to the increase in the sales volume of our AOC from 164 thousand units in 2024 to 273 thousand units in 2025, which was mainly attributable to (i) our strengthened collaboration with a broader range of customers, including internet companies and small-to-medium-sized customers, and (ii) increased downstream demand for AOC driven by the accelerated global deployment of AI computing infrastructure.
- *Others:* Revenue generated from other decreased from RMB121.0 million in 2024 to RMB45.0 million in 2025, primarily because our external sales of optoelectronic components and raw materials decreased in 2025, following the temporary surge in such sales during 2024 driven by our bulk procurement of these items to support the rapid expansion of our business.

Comparison between 2023 and 2024. Our revenue increased from RMB175.3 million in 2023 to RMB861.8 million in 2024, primarily due to the following reasons:

- *Optical transceivers:* Revenue generated from optical transceivers increased from RMB123.8 million in 2023 to RMB589.7 million in 2024, primarily due to the increase in the sales volume of our optical transceivers from 157 thousand units in 2023 to 562 thousand units in 2024, primarily due to (i) the rapid growth in market demand of our products driven by AI-related applications, (ii) our expanded production capacity, which enabled us to accommodate higher sales volumes.
- *AOC:* Revenue generated from AOC increased from RMB46.1 million in 2023 to RMB151.1 million in 2024, primarily due to the increase in the sales volume of our AOC from 135 thousand units in 2023 to 164 thousand units in 2024, primarily due to (i) the rapid growth in market demand of our products driven by AI-related applications, (ii) our expanded production capacity, which enabled us to accommodate higher sales volumes.

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- *Others*: Revenue generated from others increased significantly from RMB5.4 million in 2023 to RMB121.0 million in 2024. These components and raw materials were procured in bulk to support our rapid business expansion in 2024, and surplus quantities were subsequently sold to external parties.

Revenue by Geographical Locations

The following table sets forth a breakdown of our revenue by geographical locations, in absolute amounts and as percentages of our total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
North America						
— the U.S..	84,784	48.4	121,207	14.1	93,798	7.7
Asia						
— Chinese mainland.	76,124	43.4	623,555	72.4	1,099,262	90.0
— Malaysia	—	—	108,865	12.6	13,690	1.1
— Rest of Asia	11,790	6.7	5,539	0.6	9,705	0.8
Europe and others.	2,640	1.5	2,666	0.3	4,608	0.4
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

During the Track Record Period, we experienced steady revenue growth across regions, primarily driven by the expansion of our customer base in both domestic and overseas markets and the increasing market demand for our products. Our revenue from overseas markets decreased from RMB238.3 million in 2024 to RMB121.8 million in 2025, primarily due to a decrease in revenue from Malaysia, as demand from our key customers declined following the substantial completion of their projects in Malaysia in 2024. Our revenue from the U.S. did not grow at the same pace with that from Chinese mainland from 2023 to 2024 and temporarily declined in 2025 compared to 2024 because historically, a significant portion of our product offerings to the U.S. market consisted of lower-speed products. However, in alignment with our strategic shift, we have reallocated production capacity towards higher-speed products. Consequently, the supply of lower-speed products, including those provided to the U.S. market, was curtailed. Our higher-speed products was primarily provided to the domestic market during the Track Record Period, as U.S. customers are still undergoing the verification process for these advanced products. Following the completion of these processes, we expect to further enhance our sales in the U.S..

Revenue by Sales Channel

During the Track Record Period, we sold our products through (i) direct sales, and (ii) distributors. The following table sets forth a breakdown of our revenue by sales channel, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct sales	170,801	97.4	823,149	95.5	1,000,335	81.9
Distributors	4,537	2.6	38,683	4.5	220,728	18.1
Total	175,338	100.0	861,832	100.0	1,221,063	100.0

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During the Track Record Period, our revenue was mainly derived from direct sales, accounting for 97.4%, 95.5% and 81.9% in 2023, 2024 and 2025, respectively. During the Track Record Period, revenue from our distributors accounting for 2.6%, 4.5% and 18.1% in 2023, 2024 and 2025, respectively. The increase in the proportion of revenue derived from distributors in 2025 was primarily attributable to increased downstream demand from large scale computing power projects, which was mainly fulfilled through distributors with strong market resources in such sector. Going forward, supported by growing downstream demand and our ongoing cooperation with distributors, we expect this trend to continue, while our revenue is expected to remain mainly derived from direct sales.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature, in absolute amounts and as percentages of our total cost of sales, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Raw material costs	130,644	63.2	669,768	88.1	958,015	86.3
Staff costs	7,447	3.6	16,832	2.2	26,244	2.4
Depreciation	11,388	5.5	14,636	1.9	15,819	1.4
Utilities expenses	1,858	0.9	3,014	0.4	4,951	0.4
Inventory impairment loss . . .	41,451	20.1	35,525	4.7	73,623	6.6
Others	13,854	6.7	20,244	2.7	32,655	2.9
Total	206,642	100.0	760,019	100.0	1,111,307	100.0

The following table sets forth a breakdown of our cost of sales by business line, in absolute amounts and as percentages of our total cost of sales, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Optical transceivers	155,473	75.2	516,390	67.9	861,636	77.6
AOC	45,754	22.1	123,966	16.3	204,921	18.4
Others	5,414	2.7	119,663	15.8	44,750	4.0
Total	206,642	100.0	760,019	100.0	1,111,307	100.0

Our cost of sales increased from RMB206.6 million in 2023 to RMB760.0 million in 2024, and further increased to RMB1,111.3 million in 2025. Such upward trend of our cost of sales during the Track Record Period was generally in line with our revenue growth.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin

As a result of the foregoing, we recorded gross loss of RMB31.3 million in 2023, representing gross loss margin of 17.9% during the same periods. We recorded gross profit of RMB101.8 million and RMB109.8 million in 2024 and 2025, representing gross profit margin of 11.8%, and 9.0% during the same periods, respectively.

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Gross (Loss)/Profit and Gross (Loss)/Profit Margin by Business Line

The following table sets forth a breakdown of our gross (loss)/profit by business line, in absolute amounts and as percentages of revenue, or gross (loss)/profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Optical transceivers	(31,628)	(25.5)	73,331	12.4	62,308	6.7
AOC	303	0.7	27,150	18.0	43,206	17.4
Others	21	0.4	1,332	1.1	4,242	8.7
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Comparison between 2024 and 2025. Our gross profit increased from RMB101.8 million in 2024 to RMB109.8 million in 2025. Our gross profit margin declined from 11.8% in 2024 to 9.0% in 2025, primarily due to the following reasons:

- *Optical transceivers:* Gross profit of optical transceivers decreased from RMB73.3 million in 2024 to RMB62.3 million in 2025 and gross profit margin decreased from 12.4% in 2024 to 6.7% in 2025, primarily due to (i) a decrease in the proportion of our sales to overseas markets, which generally command higher gross profit margins and (ii) the intensified competition in the high-speed optical transceiver market in mainland China, resulting in lower unit prices.
- *AOC:* Gross profit of AOC increased from RMB27.2 million in 2024 to RMB43.2 million in 2025, in line with our business growth. Our gross profit margin of AOC remained stable at 18.0% in 2024 and 17.4% in 2025.
- *Others:* Gross profit of others increased from RMB1.3 million in 2024 to RMB4.2 million in 2025, and the gross profit margin increased from 1.1% in 2024 to 8.7% in 2025, primarily because we sold the optoelectronic components and raw materials that we had bulk-procured to support the rapid expansion of our business at relatively low prices in 2024, resulting in relatively low gross profit margins in the same year.

The significant impact of competition was also partly attributable to the growing contribution of revenue from our JDM model because under the JDM model, we primarily served large domestic companies with significant order volumes and competitions for such large contracts were subject to heightened competition among suppliers.

Comparison between 2023 and 2024. We recorded gross loss of RMB31.3 million in 2023 and gross profit of RMB101.8 million in 2024, representing gross loss margin of 17.9% in 2023 and gross profit margin of 11.8% in 2024, primarily due to the following reasons:

- *Optical transceivers:* We recorded gross loss of RMB31.6 million and gross loss margin of 25.5% in 2023, and gross profit of RMB73.3 million and gross profit margin of 12.4% in 2024. We recorded gross loss in 2023 primarily attributable to the decline in the selling prices of low-speed optical transceivers, including 100G-and-below products, which are our principal products sold in 2023, as a result of intensifying market competition. The improvement from gross loss to gross profit in 2024 was primarily attributable to the

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realization of economies of scale arising from the mass production and shipment of our optical transceivers, mainly our high-speed 400G-and-above products. The resulting increase in production volume and manufacturing efficiency led to a significant improvement in our gross profit margin and overall operating results.

- *AOC*: Gross profit of AOC increased from RMB0.3 million in 2023 to RMB27.2 million in 2024, and the gross profit margin of AOC increased from 0.7% to 18.0% in the same periods. The low gross profit margin in 2023 was primarily attributable to (i) the relatively high unit manufacturing cost of our 200G AOC, which was newly developed in 2023 and had not yet reached full production; and (ii) the price decline of our 200G AOC amid intensified competition, as downstream customers shifted their demand towards higher-speed products. The increase of gross profit margin in 2024 was primarily driven by the realization of economies of scale resulting from the ramp-up and mass shipment of our high-speed 400G-and-above AOC. Higher production volume and better capacity utilization enhanced manufacturing efficiency and cost effectiveness, leading to a marked increase in gross profit margin and overall operating performance.
- *Others*: Gross profit of others increased significantly from RMB21 thousands in 2023 to RMB1.3 million in 2024, and the gross profit margin of others increased from 0.4% in 2023 to 1.1% in 2024. The low gross profit margin in 2023 was primarily attributable to our bulk sale of low-speed optoelectronic components and related auxiliary consumables during the year, which yielded minimal gross profit margins. The increase of gross profit margin in 2024 was primarily driven by the realization of economies of scale resulting from the mass shipment of optoelectronic components and raw materials.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin by Geographical Locations

The following table sets forth a breakdown of our gross (loss)/profit and gross (loss)/profit margin by geographical locations for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin	Gross (Loss)/Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	(23,391)	(30.7)	55,717	8.9	75,612	6.9
Overseas	(7,913)	(8.0)	46,096	19.3	34,144	28.0
Total	(31,304)	(17.9)	101,813	11.8	109,756	9.0

Chinese Mainland: We recorded gross loss of RMB23.4 million, with gross loss margin of 30.7%, in 2023 and gross profit of RMB55.7 million with a gross profit margin of 8.9% in 2024, primarily due to the mass shipments of our high-speed products with higher profit margins. Our gross profit increased from RMB55.7 million in 2024 to RMB75.6 million in 2025, in line with our increased revenue. Our gross profit margin decreased from 8.9% to 6.9% in the same period, primarily due to intensified competition in the 200G and 400G optical receiver market, resulting in lower prices.

Overseas: We recorded gross loss of RMB8.0 million, with gross loss margin of 8.0%, in 2023, and gross profit of RMB46.1 million with a gross profit margin of 19.3% in 2024, primarily due to the mass shipments of our high-speed products with higher profit margins. Our gross profit decreased to RMB34.1 million in 2025, in line with our decreased revenue. Our gross profit margin increased from 19.3% to 28.0%, primarily due to an increased proportion of revenue generated from higher profit margin overseas customers in 2025 compared with 2024.

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Other Income and Gains

The following table sets forth a breakdown of our other income and gains, in absolute amounts and as percentages of our total other income and gains, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Other income						
Interest income	1,787	28.0	1,288	39.1	3,684	23.3
Government subsidies	4,950	77.5	2,697	81.8	10,700	67.8
Others	—	—	—	—	1	0.0
Total other income	6,737	105.4	3,985	120.9	14,385	91.1
Gains						
Gains on disposal of financial assets at fair value through profit or loss	730	11.4	116	3.5	1,511	9.6
Losses on disposal of derivative financial instruments	(1,078)	(16.9)	(805)	(24.4)	(55)	(0.3)
Loss on disposal of items of property, plant and equipment	—	—	—	—	(50)	(0.3)
Total gains	(348)	(5.4)	(689)	(20.9)	1,406	8.9
Total other income and gains	6,389	100.0	3,296	100.0	15,791	100.0

Comparison between 2024 and 2025. Our other income and gains increased from RMB3.3 million in 2024 to RMB15.8 million in 2025, primarily due to the increase in government subsidies of RMB8.0 million, as we received additional government grants from Beijing and Jiangsu governments in recognition of our technological innovation.

Comparison between 2023 and 2024. Our other income and gains decreased from RMB6.4 million in 2023 to RMB3.3 million in 2024, primarily due to the decrease in government subsidies of RMB2.3 million, primarily because we received one-off government grants supporting our technological innovation in 2023, which were non-recurring in 2024.

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Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as percentages of our total selling and marketing expenses, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	2,669	34.8	4,030	39.8	7,622	48.4
Sample expenses	1,647	21.5	1,689	16.7	3,398	21.6
Advertising and promotion expenses	401	5.2	1,471	14.5	1,277	8.1
Business entertainment expenses	1,078	14.0	1,104	10.9	1,058	6.7
Professional service fees	611	8.0	654	6.7	840	5.3
Others	1,269	16.5	1,183	11.7	1,555	9.9
Total	7,675	100.0	10,131	100.0	15,750	100.0

Comparison between 2024 and 2025. Our selling and marketing expenses increased from RMB10.1 million in 2024 to RMB15.8 million in 2025, primarily due to the increase in staff costs of RMB3.6 million resulting from the increase in the number of our selling and marketing personnel as a result of our business expansion.

Comparison between 2023 and 2024. Our selling and marketing expenses increased from RMB7.7 million in 2023 to RMB10.1 million in 2024, primarily attributable to the increase in staff costs of RMB1.4 million resulting from the increase in the number of our selling and marketing personnel as a result of our business expansion.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as percentages of our total research and development expenses, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	28,180	66.7	37,567	58.9	56,043	53.7
Raw materials consumed	4,903	11.6	16,243	25.5	34,182	32.8
Depreciation and amortization	4,264	10.1	5,033	7.9	6,314	6.1
Professional service fees	1,355	3.2	998	1.6	1,857	1.8
Mold costs	1,939	4.6	1,409	2.2	894	0.9
Utilities expenses	877	2.1	1,411	2.2	1,552	1.5
Others	748	1.8	1,136	1.8	3,425	3.3
Total	42,266	100.0	63,797	100.0	104,267	100.0

Comparison between 2024 and 2025. Our research and development expenses increased from RMB63.8 million in 2024 to RMB104.3 million in 2025, primarily attributable to (i) the increase in raw materials consumed of RMB17.9 million in connection with our increased research and development activities, and (ii) the increase in staff costs of RMB18.5 million resulting from the increased number of our research and development personnel to strengthen our research and development capabilities.

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Comparison between 2023 and 2024. Our research and development expenses increased from RMB42.3 million in 2023 to RMB63.8 million in 2024, primarily attributable to (i) the increase in raw materials consumed of RMB11.3 million in connection with our increased research and development activities, and (ii) the increase in staff costs of RMB9.4 million resulting from the increased number of our research and development personnel to strengthen our research and development capabilities.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as percentages of our total administrative expenses, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	15,637	69.5	20,455	66.3	34,654	46.7
Professional service fees . . .	351	1.6	2,169	7.0	22,235	30.0
Depreciation and amortization	1,359	6.0	1,367	4.4	3,396	4.6
Utilities expenses	703	3.1	1,047	3.4	1,661	2.2
Business entertainment expenses	1,231	5.5	902	2.9	1,485	2.0
Others	3,211	14.3	4,910	16.0	10,703	14.5
Total	22,492	100.0	30,850	100.0	74,134	100.0

Comparison between 2025 and 2024. Our administrative expenses increased from RMB30.9 million in 2024 to RMB74.1 million in 2025, primarily attributable to (i) the increase in professional service fees of RMB20.1 million incurred in relation to the Listing and the Global Offering and (ii) the increase in staff cost of RMB14.2 million resulting from recruitment of additional administrative personnel, including (a) finance personnel to support the preparation for the Listing; and (b) administrative personnel to support the commencement of operations at our Nanjing production facility.

Comparison between 2024 and 2023. Our administrative expenses increased from RMB22.5 million in 2023 to RMB30.9 million in 2024, primarily attributable to the increase in staff cost of RMB4.8 million resulting from the increased number of our administrative personnel to support our business expansion.

Reversal of Impairment/(Impairment) of Financial Assets, Net

We recorded net impairment of financial assets of RMB2.0 million and RMB2.8 million in 2024 and 2025, respectively. We recorded net reversal of impairment of financial assets of RMB5.4 million in 2023.

These amounts were primarily in connection with impairment and collection of our trade receivables. We apply the expected credit losses, or ECL, model for financial assets that are subject to impairment. ECLs are provided for credit losses based on possibility-weighted estimates, and a financial asset will be written off when there is no reasonable expectation of recovering the contractual cash flows. A reversal of impairment on financial assets is recognized when the outstanding contractual amount is collected.

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Other Expenses and Losses

The following table sets forth a breakdown of our other expenses and losses, in absolute amounts and as percentages of our total other expenses and losses, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Exchange differences, net . . .	2,612	20.0	7,327	96.9	4,284	44.4
Impairment of items of property, plant and equipment	10,459	80.0	—	—	—	—
Others	1	(0.0)	232	3.1	5,369	55.6
Total	13,072	100.0	7,559	100.0	9,653	100.0

Our other expenses and losses decreased from RMB13.1 million in 2023 to RMB7.6 million in 2024, primarily attributable to the decrease in impairment of items of property, plant and equipment of RMB10.5 million. Our other expenses and losses increased from RMB7.6 million in 2024 to RMB9.7 million in 2025, primarily attributable to the occurrence of others of RMB5.4 million in connection with the relocation of our Company.

Finance Costs

The following table sets forth a breakdown of our finance costs, in absolute amounts and as percentages of our total finance costs, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Interest on bank and other borrowings	3,050	93.8	8,466	99.2	18,589	97.2
Interest on lease liabilities. . .	202	6.2	71	0.8	537	2.8
Total	3,252	100.0	8,537	100.0	19,126	100.0

Our finance costs increased from RMB3.3 million in 2023 to RMB8.5 million in 2024, and further increased to RMB19.1 million in 2025. Such upward trend of our finance costs was primarily due to the increase in interest on bank and other borrowings as we raised additional borrowings to support our business expansion.

Fair Value Gains/(Losses) on Derivative Financial Instruments

We did not record fair value gains/(losses) on derivative financial instruments in 2024 and 2025. We recorded fair value losses on derivative financial instruments of RMB0.3 million in 2023, primarily in relation to our forward foreign exchange contract as a result of exchange rate fluctuations. Our fair value losses on derivative financial instruments decreased from RMB0.3 million in 2023 to nil in 2024, primarily due to our structural adjustment and discontinuation of the forward foreign exchange contract.

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Income Tax Expenses

We did not record any income tax expenses in 2023 and 2025. We recorded income tax expenses of RMB0.2 million in 2024, primarily because our Singapore subsidiary generated taxable profit in 2024. Our effective tax rate in 2024 (calculated as income tax expenses divided by profit before tax) was 0.9%. As of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 83.5% from RMB108.6 million in 2023 to RMB17.9 million in 2024. Our loss for the year increased significantly from RMB17.9 million in the 2024 to RMB100.1 million in 2025.

SHARE CAPITAL

We entered into respective shareholders' agreements with various Pre-IPO Investors and issued 48,559,313 ordinary shares for a total net cash proceed of approximately RMB787,139,000 (collectively the "**Pre-IPO Investments**") with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the agreements, the Pre-IPO Investors were granted by the Company with special rights which included redemption rights, anti-dilution rights and liquidation preference rights.

On October 23, 2025, our Company and the Pre-IPO Investors entered into the Termination Agreement that the redemption rights granted by our Company to Pre-IPO Investors have been irrecoverably terminated and shall be void ab initio. Prior to the execution of the Termination Agreement, there had been no exercise of redemption rights granted by our Company to the Pre-IPO investors, and the only special rights exercised by certain Shareholders were the rights to nominate directors and board observers and the right to information. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplemental agreements, our Director considered that it is appropriate to present the Pre-IPO Investments as equity.

Had the special rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at fair value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities at fair value through profit or loss	1,175,523	1,224,433	—
Total current liabilities	1,413,679	1,907,131	1,070,501
Net current (liabilities)/assets	(1,142,875)	(1,129,967)	416,454
Net (liabilities)/assets	(1,014,799)	(1,012,770)	585,747

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and (ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and diluted loss per share would have been:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fair value losses on financial liabilities at			
fair value through profit or loss	44,359	48,910	16,257
Total net loss	(152,923)	(66,805)	(116,395)
Loss per share			
Basic and diluted (<i>RMB</i>)	(2.50)	(1.08)	(1.61)

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from cash generated from our business operations, bank borrowings and shareholder contributions. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations, the net proceeds from the Global Offering, and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB33.0 million, RMB75.0 million and RMB334.0 million as of December 31, 2023, 2024 and 2025, respectively.

Working Capital Sufficiency

Taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents, cash flows from operating activities and available banking facilities, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this Prospectus. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this Prospectus.

Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash flows used in operating activities. . .	(91,042)	(254,808)	(359,097)
Net cash flows generated from/(used in)			
investing activities	(98,804)	(106,912)	(111,032)
Net cash flows generated from financing			
activities.	71,747	411,366	733,376
Net increase/(decrease) in cash and cash			
 equivalents.	(118,099)	49,646	263,247
Cash and cash equivalents at the beginning of			
the year	153,677	32,967	74,963
Cash and cash equivalents at the end of			
 the year	32,967	74,963	334,040

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Net Cash Flows Used in Operating Activities

Our cash flows used in operating activities reflect our loss before tax adjusted for: (i) non-cash or non-operating items, such as impairment of inventories and depreciation of property, plant and equipment; and (ii) the effects of movement in working capital, such as (increase)/decrease in inventories, increase in trade and bills receivables and (decrease)/increase in trade and bills payables.

In 2025, we had net cash flows used in operating activities of RMB359.1 million, which primarily consisted of loss before tax of RMB100.1 million, as adjusted for (i) non-cash or non-operating items, which mainly comprised impairment of inventories of RMB73.6 million and depreciation of property, plant and equipment of RMB24.9 million; (ii) the effect of movements in working capital, which mainly reflected the increase in inventories of RMB366.0 million and the increase in trade and bills receivables of RMB166.9 million, partially offset by the increase in trade and bills payables of RMB134.5 million.

In view of our net operating cash outflows in 2025, we have implemented various measures to improve our operating cash flow position, these measures include (i) strengthening our trade and bills receivables management by refining our customer credit assessment mechanism, enhancing aging-based monitoring and collection efforts, and promoting advance payment arrangements to accelerate cash collection; (ii) optimizing our trade and bills payables management by negotiating with suppliers to extend payment terms, leveraging our commercial reputation, stable procurement scale and long-standing supplier relationships; (iii) reducing capital tied up in inventory by tightening control over inventories stocking levels and periodically disposing of slow-moving and obsolete inventories; (iv) strengthening cost expenditure controls by closely monitoring non-essential administrative, selling and marketing and R&D expenses; and (v) optimizing our business operating structure by focusing on high-quality orders with shorter credit terms and faster turnover, refining our product mix and promoting higher-margin new products to enhance profitability and broaden our operating cash inflow channels.

In 2024, we had net cash flows used in operating activities of RMB254.8 million, which primarily consisted of loss before tax of RMB17.7 million, as adjusted for (i) non-cash or non-operating items, which mainly comprised impairment of inventories of RMB35.9 million and depreciation of property, plant and equipment of RMB21.2 million; (ii) the effect of movements in working capital, which mainly reflected the increase in inventories of RMB234.1 million and the increase in trade and bills receivables of RMB212.3 million, partially offset by the increase in trade and bills payables of RMB136.2 million.

In 2023, we had net cash flows used in operating activities of RMB91.0 million, which primarily consisted of loss before tax of RMB98.1 million, as adjusted for (i) non-cash or non-operating items, which mainly comprised impairment of inventories of RMB41.5 million and depreciation of property, plant and equipment of RMB18.0 million; (ii) the effect of movements in working capital, which mainly reflected the increase in inventories of RMB107.7 million.

Net Cash Flows Generated from/(Used in) Investing Activities

Our cash inflows from investing activities primarily consisted of proceeds from disposals of financial assets at fair value through profit or loss. Our cash outflows from investing activities primarily consist of purchases of financial assets at fair value through profit or loss and purchases of items of property, plant and equipment.

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In 2025, our net cash flows used in investing activities was RMB111.0 million, which consisted primarily of purchases of financial assets at fair value through profit or loss of RMB675.0 million and purchases of items of property, plant and equipment of RMB124.1 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB676.5 million.

In 2024, our net cash flows used in investing activities was RMB120.2 million, which consisted primarily of purchases of financial assets at fair value through profit or loss of RMB122.0 million and purchases of items of property, plant and equipment of RMB110.9 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB133.3 million.

In 2023, our net cash flows used in investing activities was RMB46.3 million, which consisted primarily of purchases of financial assets at fair value through profit or loss of RMB444.0 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss of RMB431.7 million.

Net Cash Flows Generated from Financing Activities

Our cash inflows from financing activities primarily consisted of new bank loan and other borrowings and capital paid in shareholders of our Company. Our cash outflows from financing activities primarily consisted of repayment of bank loans and other borrowings.

In 2025, our net cash flows generated from financing activities was RMB733.4 million, which consisted primarily of new bank loan and other borrowings of RMB878.2 million and capital paid in shareholders of RMB460.0 million, partially offset by repayment of bank loans and other borrowings of RMB573.7 million.

In 2024, our net cash flows generated from financing activities was RMB411.4 million, which consisted primarily of new bank loan and other borrowings of RMB536.7 million, partially offset by repayment of bank loans and other borrowings of RMB173.5 million.

In 2023, our net cash flows generated from financing activities was RMB71.7 million, which consisted primarily of new bank loan and other borrowings of RMB142.5 million, partially offset by repayment of bank loans and other borrowings of RMB64.9 million.

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SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	May 31,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>2026</i> <i>(Unaudited)</i>
Current assets				
Inventories	126,340	324,591	616,988	587,383
Trade and bills receivables	63,816	275,033	438,685	620,392
Prepayments, other receivables and other assets . . .	29,260	68,772	94,952	170,916
Financial assets at fair value through profit or loss.	12,018	—	—	—
Time deposits	—	30,480	2,290	—
Pledged deposits	6,403	3,325	—	—
Cash and cash equivalents	32,967	74,963	334,040	374,879
Total current assets	270,804	777,164	1,486,955	1,753,570
Current liabilities				
Trade and bills payables	56,849	193,719	328,203	397,584
Other payables and accruals	51,824	57,186	50,529	260,634
Contract liabilities	—	4,997	2,417	3,172
Deferred income	1,355	1,635	626	—
Interest-bearing bank and other borrowings	124,598	420,042	680,838	785,280
Lease liabilities	3,042	3,290	6,636	9,204
Provision	488	1,671	1,252	—
Tax payable	—	158	—	—
Total current liabilities	238,156	682,698	1,070,501	1,445,874
NET CURRENT ASSETS	32,648	94,466	416,454	297,696

For details on the accounting treatment of redemption rights, see “Financial Information — Share Capital” and Note 29 to the Accountants’ Report set out in Appendix I to this prospectus.

Our net current assets increased from RMB32.6 million as of December 31, 2023 to RMB94.5 million as of December 31, 2024, primarily due to (i) the increase in trade and bills receivables, and (ii) the increase in inventories, partially offset by the increase in interest-bearing bank and other borrowings.

Our net current assets increased from RMB94.5 million as of December 31, 2024 to RMB416.5 million as of December 31, 2025, primarily due to (i) the increase in the cash and cash equivalents, and (ii) the increase in inventories, partially offset by the increase in (i) interest-bearing bank and other borrowings and (ii) trade and bills payables.

Our net current assets decreased from RMB416.5 million as of December 31, 2025 to RMB297.7 million as of May 31, 2026, primarily due to (i) the increase in other payables and accruals and (ii) an increase in interest-bearing bank and other borrowings, partially offset by (i) an increase in trade and bills receivables and (ii) an increase in prepayments, other receivables and other assets.

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Inventories

Our inventories consist of (i) raw materials, (ii) work in progress, and (iii) finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	107,272	189,462	239,414
Work in progress	12,911	26,108	19,404
Finished goods	71,028	181,496	445,138
Impairments	(64,871)	(72,475)	(86,968)
Total	126,340	324,591	616,988

Our inventory increased from RMB126.3 million as of December 31, 2023 to RMB324.6 million as of December 31, 2024, and further increased from RMB324.6 million as of December 31, 2024 to RMB617.0 million as of December 31, 2025, primary attributable to our continued increase of finished goods which was generally in line with our business expansion and the increase in our sales volume and in anticipation of the growing customer demand for our products.

We believe that by maintaining optimal inventory levels, we can meet our customers' demand and ensure their satisfaction without compromising our liquidity. To this end, we have put in place a set of policies and procedures to manage our inventories. See "Business — Procurement and Supply Chain Management — Inventory Management."

The following table sets forth the aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	140,408	343,184	664,913
1 to 2 years	27,483	16,314	9,025
2 to 3 years	21,961	17,189	7,694
Over 3 years	1,359	20,379	22,324
	191,211	397,066	703,956
Impairments	(64,871)	(72,475)	(86,968)
Total	126,340	324,591	616,988

The following table sets forth our inventory turnover days for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	255.8	141.3	180.8

Note:

- (1) Average inventory turnover days were calculated based on the average of the beginning and ending balances of inventories of a given year or period divided by cost of sales for that corresponding year or period and multiplied by 365 days for 2023, 2024 and 2025.

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Our inventory turnover days decreased from 255.8 days in 2023 to 141.3 days in 2024, primarily because the growth in our cost of sales outpaced the increase in our average inventory balance during the year. This was driven by the significant expansion in our sales volume in 2024, supported by the surge in downstream demand for AI computing infrastructure and the expansion of our production capacity. Our inventory turnover days increased from 141.3 days in 2024 to 180.8 days in 2025, primarily due to an increase in finished goods as we built up inventory to meet anticipated demand from key customers. As a result, the growth in our average inventory balance outpaced the increase in our cost of sales during the year.

As of May 31, 2026, RMB534.6 million, or 81.4%, of our inventories as of December 31, 2025 had been sold or utilized.

Trade and Bills Receivables

Our trade and bills receivables consist of (i) trade receivables and (ii) bills receivables, including commercial acceptance bills and bank acceptance bills. The following table sets forth our trade and bills receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	64,494	176,376	376,013
Impairment.	(678)	(1,778)	(5,049)
Trade receivables, net	63,816	174,598	370,964
Bills receivables			
Commercial bills	—	90,980	—
Bank bills	—	9,455	67,721
	—	100,435	67,721
Trade and bills receivables	63,816	275,033	438,685

Our trade and bills receivables increased from RMB63.8 million as of December 31, 2023 to RMB275.0 million as of December 31, 2024, and further increased from RMB275.0 million as of December 31, 2024 to RMB438.7 million as of December 31, 2025, in line with our business growth.

The following table sets forth the aging analysis of the trade receivables based on the invoice date and net of loss allowance as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	64,483	176,314	371,606
1 to 2 years	2	51	4,357
2 to 3 years	9	2	50
Over 3 years	—	9	—
Total	64,494	176,376	376,013

We believe there was no recoverability issue for the trade receivables aged over one year and that sufficient provisions have been made, for the following reasons: (i) as at December 31, 2025, trade receivables aged over one year amounted to RMB4.4 million, representing only approximately 1.2% of the total trade receivables, and therefore constituted a minor portion of the total balance; (ii) we closely

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monitor the balances of trade and bills receivables and regularly assess the recoverability of overdue amounts. Our finance department analyses the ageing profile of trade and bills receivables on a regular basis, identifies potential risks, and takes appropriate collection measures. Provisions for impairment are made on a quarterly basis, with different provision rates applied to different ageing categories; (iii) we have adopted an impairment policy in accordance with IFRS 9, under which trade and bills receivable are grouped by similar credit risk characteristics and collectively assessed for expected credit losses, taking into account historical credit loss experience and forward-looking information. We apply the simplified approach to measure expected credit losses throughout the life of the financial assets from initial recognition. We conduct regular reviews of our impairment estimates and adjust the carrying amounts of trade and bills receivables and the related impairment losses as appropriate, to ensure that the provisions accurately reflect the current status of our trade and bills receivables; and (iv) our customers generally enjoy good credit quality and we have not had any material collection issues with our customers during the Track Record Period and up to the Latest Practicable Date.

The following table sets forth our trade receivables turnover days during the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	117.3	51.0	82.6

Note:

- (1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables less allowance for impairment for the relevant year, divided by the revenue for the same year and multiplied by 365 days for 2023, 2024 and 2025.

Our trade receivables turnover days further decreased from 117.3 days in 2023 to 51.0 days in 2024, primarily due to the increases in our revenue. Our trade receivables turnover days increased from 51.0 days in 2024 to 82.6 days in 2025, primarily due to (i) the increase in the average balance of trade receivables and (ii) longer credit periods granted to new customers in 2025 to secure long-term business collaboration.

During the Track Record Period, we did not experience any significant losses associated with our trade and bills receivables, and the fluctuation in our trade and bills receivables did not have any material adverse impact on our liquidity or cash flows.

As of May 31, 2026, RMB287.7 million, or 65.6%, of our trade and bills receivables as of December 31, 2025, had been settled.

Prepayments, Other Receivables and Other Assets – Current

Our current prepayments, other receivables and other assets primarily consist of (i) other tax recoverable, (ii) prepayments, (iii) other receivables, (iv) deposits, (v) advances to employees, (vi) due from a director, (vii) deferred listing expenditures, and (viii) others. The following table sets forth our current prepayments, other receivables and other assets as of the dates indicated.

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	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other tax recoverable	19,894	36,488	49,001
Prepayments	8,120	25,320	35,376
Rebate receivables from suppliers	—	—	3,696
Deposits paid	2,122	7,397	4,314
Advances to employees	439	685	1,009
Due from a director	—	1,012	—
Deferred listing expenditures	—	—	3,207
Others	—	58	21
	30,575	70,960	96,624
Impairment allowance	(1,315)	(2,188)	(1,672)
Total	29,260	68,772	94,952

Our current prepayments, other receivables and other assets increased from RMB29.3 million as of December 31, 2023 to RMB68.8 million as of December 31, 2024, primarily due to (i) the increase in other tax recoverable of RMB21.7 million, as we increased our purchase amount to support our business growth, which led to an increase in input VAT, and (ii) the increase in prepayments of RMB17.2 million as we purchased more raw materials from our suppliers in line with our business expansion.

Our current prepayments, other receivables and other assets increased from RMB68.8 million as of December 31, 2024 to RMB95.0 million as of December 31, 2025, primarily due to (i) the increase in other tax recoverable of RMB12.5 million as we increased our purchase amount to support our business growth, which led to an increase in input VAT and (ii) the increase in prepayments of RMB10.1 million was primarily attributable to increased prepayments for equipment purchases.

As of May 31, 2026, RMB78,023.0 million, or 82.2%, of our current prepayments, other receivables and other assets as of December 31, 2025 had been settled.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss represent our investments in wealth management products. We did not record any financial assets at fair value through profit or loss as of December 31, 2024 and 2025. Our financial assets at fair value through profit or loss decreased from RMB12.0 million as of December 31, 2023 to nil as of December 31, 2024, primarily due to the redemption of wealth management products to support our production expansion.

Under our investment policy on the purchase of such financial assets, we employ a comprehensive set of internal policies and guidelines to manage our investments in order to monitor the investment risks associated with our portfolio of financial assets. According to our internal capital management policy, payments for investment operations shall be processed following the relevant approval authority including the finance manager and the general manager. Additionally, under our investment policy, we monitor the levels of idle cash and bank balances and use idle cash to increase our returns based on our working capital requirements at the relevant time. Under our internal control policies, our finance department is responsible for making annual plan and specific decisions to purchase financial assets, as well as managing and monitoring the risks associated with our portfolio of financial assets. We also periodically evaluate the fair value of our financial assets. This assessment includes measuring fair value, assessing profitability and considering risk conditions related to our investments. Our Board and senior management collectively possess extensive industry experience and financial management

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expertise, which enable them to effectively oversee these investments. For details, see the section headed “Directors, Supervisors, and Senior Management.” In addition, these investments will be subject to compliance with the applicable requirements under Chapter 14 of the Listing Rules upon the Listing.

Time Deposits — Current

Our current time deposits increased from nil as of December 31, 2023 to RMB30.5 million as of December 31, 2024. Our current time deposits decreased from RMB30.5 million as of December 31, 2024 to RMB2.3 million as of December 31, 2025, primarily due to the maturity of certain time deposits during 2025. The fluctuations of our current time deposits was primarily attributable to our fund management decisions made after taking into account our cash flow position and the characteristics of the available financial products.

Pledged Deposits

Our pledged deposits represent deposits pledged to banks as collateral for issuance of bank acceptance bills. Our pledged deposits decreased from RMB6.4 million as of December 31, 2023 to RMB3.3 million as of December 31, 2024, and further decreased from RMB3.3 million as of December 31, 2024 to nil as of December 31, 2025, primarily due to the maturity of bills and the release of related deposits.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB33.0 million as of December 31, 2023 to RMB75.0 million as of December 31, 2024, and further increased from RMB75.0 million to RMB334.0 million as of December 31, 2025. For more details, see “— Liquidity and Capital Resource — Cash Flows Analysis” in this section.

Trade and Bills Payables

Our trade and bills payables mainly represent the outstanding balances due to our suppliers for raw materials, and are non-interest-bearing in nature. Our trade and bills payables increased from RMB56.8 million as of December 31, 2023 to RMB193.7 million as of December 31, 2024, and further increased from RMB193.7 million as of December 31, 2024 to RMB328.2 million as of December 31, 2025, mainly attributable to the increase in our procurement of raw materials to support our business growth.

The following table sets forth an aging analysis of our trade and bills payables based on invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 years	55,575	192,413	326,951
1 to 2 years	1,110	354	981
2 to 3 years	133	862	53
Over 3 years	31	90	218
Total	56,849	193,719	328,203

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The following table sets forth our trade payables turnover days for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	63.1	53.1	81.9

Note:

- (1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by our cost of sales for the relevant year and multiplied by 365 days for 2023, 2024 and 2025.

Our trade payables turnover days were 63.1 days, 53.1 days and 81.9 days in 2023, 2024 and 2025. Our relatively higher trade payables turnover days in 2023 were primarily due to our relatively low total cost of sales. The relatively low trade payables turnover days in 2024 were mainly because we procured an increased portion of raw materials from overseas suppliers, who generally granted us shorter credit terms. Our trade payables turnover days increased from 53.1 days in 2024 to 82.0 days in 2025, primarily due to extended credit terms we obtained from our suppliers as we increased our procurement volume.

As of May 31, 2026, RMB296.1 million, or 89.9%, of total trade and bills payables as of December 31, 2025, had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals consist of (i) other payables for addition of property, plant and equipment, (ii) payroll and welfare payable, (iii) other tax payables, (iv) accrued expenses for listing and (v) other payables. The following table sets forth our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other payables for acquisition of property, plant and equipment	42,005	36,172	21,902
Payroll and welfare payable	6,247	10,271	15,931
Other tax payables	313	633	1,816
Accrued expenses for listing	—	—	7,647
Other payables	3,259	10,110	3,233
Total	51,824	57,186	50,529

Our other payables and accruals increased from RMB51.8 million as of December 31, 2023 to RMB57.2 million as of December 31, 2024, primarily due to the increase in other payables of RMB6.9 million, mainly attributable to the increase in our product sales.

Our other payables and accruals decreased from RMB57.2 million as of December 31, 2024 to RMB50.5 million as of December 31, 2025, primarily due to a decrease in other payables for acquisition of property, plant and equipment of RMB14.3 million, mainly attributable to the settlement of outstanding payables in respect of previous asset purchases.

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Non-current Assets/Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Non-current assets				
Property, plant and equipment	132,367	175,641	231,617	269,692
Right-of-use assets	14,633	21,325	35,121	41,695
Intangible assets	175	174	113	260
Prepayments, other receivables and other assets . . .	8,215	36,630	55,067	55,744
Time deposits	10,930	930	21,140	20,000
Total non-current assets	166,320	234,700	343,058	387,391
Non-current liabilities				
Deferred income	2,231	6,995	7,376	22,999
Interest-bearing bank and other borrowings	35,700	103,609	147,655	105,133
Lease liabilities	—	6,195	17,001	23,403
Provision	313	704	1,733	2,331
Total non-current liabilities	38,244	117,503	173,765	153,866

Property, Plant and Equipment

Our property, plant and equipment consist of (i) office and other equipment, (ii) electronic devices, (iii) machinery equipment, (iv) motor vehicles, (v) leasehold improvements, and (vi) construction in progress. The following table sets forth our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Office and other equipment	523	373	394
Electronic devices	1,433	1,746	2,292
Machinery equipment	49,778	98,007	132,611
Motor vehicles	151	65	537
Leasehold improvements	10,196	4,811	32,054
Construction in progress	70,286	70,639	63,729
Total	132,367	175,641	231,617

Our property, plant and equipment increased from RMB132.4 million as of December 31, 2023 to RMB175.6 million as of December 31, 2024, primarily due to the increase in machinery equipment of RMB48.2 million as we purchased additional equipment to expand our production capacity.

Our property, plant and equipment increased from RMB175.6 million as of December 31, 2024 to RMB231.6 million as of December 31, 2025, primarily due to (i) the increase in machinery equipment of RMB34.6 million as we purchased additional equipment to expand our production capacity and (ii) the increase in leasehold improvements of RMB27.2 million attributable to the renovation of factory premises to support production expansion.

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Right-of-use Assets

Our right-of-use assets consist of (i) office buildings, and (ii) leasehold land. The following table sets forth our right-of-use assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Office buildings	2,678	9,623	23,672
Leasehold land	11,955	11,702	11,449
Total	14,633	21,325	35,121

Our right-of-use assets increased from RMB14.6 million as of December 31, 2023 to RMB21.3 million as of December 31, 2024, primarily due to the increase in office buildings of RMB6.9 million, mainly attributable to our renewal of our Suzhou office lease agreement in 2024. Our right-of-use assets increased from RMB21.3 million as of December 31, 2024 to RMB35.1 million as of December 31, 2025, primarily due to the increase in office buildings of RMB14.0 million resulted from addition of new production facilities in Nanjing and Beijing.

Intangible Assets

Our intangible assets consist of (i) software, and (ii) patents and license. The following table sets forth our intangible assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Software	175	174	113
Patents and license	—	—	—
Total	175	174	113

Our intangible assets remained relatively stable at RMB175 thousand as of December 31, 2023 and RMB174 thousand as of December 31, 2024. Our intangible assets decreased from RMB174 thousand as of December 31, 2024 to RMB113 thousand as of December 31, 2025. Such downward trend of our intangible assets during the Track Record Period was primarily attributable to amortization.

Prepayments, Other Receivables and Other Assets — Non-current

Our non-current prepayments, other receivables and other assets represent our prepayments for acquisition of property and equipment. Our non-current prepayments, other receivables and other assets increased from RMB8.2 million as of December 31, 2023 to RMB36.6 million as of December 31, 2024, and further increased from RMB36.6 million as of December 31, 2024 to RMB55.1 million as of December 31, 2025. Such upward trend of our non-current prepayments, other receivables and other assets during the Track Record Period was primarily attributable to the prepayments for the construction of facility and purchase of equipment in our Nanjing and Suzhou production bases.

As of May 31, 2026, RMB15.7 million, or 28.5%, of our non-current prepayments, other receivables and other assets as of December 31, 2025, had been settled.

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Time Deposits — Non-current

Our non-current time deposits decreased from RMB10.9 million as of December 31, 2023 to RMB0.9 million as of December 31, 2024, and increased from RMB0.9 million as of December 31, 2024 to RMB21.1 million as of December 31, 2025. The fluctuations of our non-current time deposits was primarily attributable to our fund management decisions made after taking into account our cash flow position and the characteristics of the available financial products.

Deferred Income — Non-current

Our non-current deferred income represents government grants that we received in support of our business operations and research and development projects. Our non-current deferred income increased from RMB2.2 million as of December 31, 2023 to RMB7.0 million as of December 31, 2024, primarily attributable to government grants we received in connection with certain projects and as rewards for our technological innovation, which were one-off in nature. Our non-current deferred income remained relatively stable at RMB7.0 million as of December 31, 2024 and RMB7.4 million as of December 31, 2025.

Provision

Our provision mainly represents warranty provisions for after-sales services of our products. Our provision increased from RMB0.3 million as of December 31, 2023 to RMB0.7 million as of December 31, 2024, and further increased from RMB0.7 million as of December 31, 2024 to RMB1.7 million as of December 31, 2025, primarily attributable to the higher warranty provisions in line with our increased sales volume.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current				
Interest-bearing bank and other borrowings	124,598	420,042	680,838	785,280
Lease liabilities	3,042	3,290	6,636	9,204
Non-current				
Interest-bearing bank and other borrowings	35,700	103,609	147,655	105,133
Lease liabilities	—	6,195	17,001	23,403
Total	163,340	533,136	852,130	923,020

Interest-bearing Bank and Other Borrowings

During the Track Record Period, our interest-bearing bank and other borrowings continued to grow from RMB160.3 million as of December 31, 2023 to RMB828.5 million as of December 31, 2025, mainly representing bank loans to meet the capital need for our business expansion. During the Track Record Period, our bank borrowings are all denominated in RMB with fixed and variable interest rates ranging from 2.25% to 4.40% per annum. For further information regarding our interest-bearing bank and other borrowings, see Note 25 to the Accountants' Report in Appendix I to this prospectus.

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We did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that there was no default in payments of our liabilities, and/or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, our committed unutilized banking facilities amounted to RMB1,050.7 million. As of May 31, 2026, we have committed unutilized banking facilities amounted to RMB1,050.7 million. These unutilized banking facilities are committed and are subject to normal commercial loan terms commonly found in loan arrangements with financial institutions in China, such as restrictions on the use of proceeds, the incurrence or prepayment of indebtedness, the provision of guarantees or security to third parties, and the conduct of change-in-control transactions, in each case typically requiring the prior consent of, or prior notification to, the relevant lender.

Lease Liabilities

During the Track Record Period, our lease liabilities were mainly in relation to our leased production facility and offices. As of December 31, 2023, 2024, 2025 and May 31, 2026, our lease liabilities, including current and non-current portion, amounted to RMB3.0 million, RMB9.5 million, RMB23.6 million and RMB32.6 million. Our lease liabilities increased from RMB3.0 million as of December 31, 2023 to RMB9.5 million as of December 31, 2024, primarily attributable to the renewal of our remaining lease of our production facility in Suzhou and newly leased office in Beijing. Our lease liabilities increased from RMB9.5 million as of December 31, 2024 to RMB23.6 million as of December 31, 2025, primarily due to increase in finance lease arrangements for equipment. Our lease liabilities increased from RMB23.6 million as of December 31, 2025 to RMB32.6 million as of May 31, 2026, primarily newly leased office in Beijing. For the maturity analysis and other detailed information regarding our lease liabilities, see Note 14(b) and 39 to the Accountants' Report in Appendix I to this prospectus.

No Other Outstanding Indebtedness

Except as disclosed above, as of May 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since May 31, 2026.

CONTINGENT LIABILITIES OR GUARANTEES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities that would have a material impact on our financial position or results of operations.

CAPITAL EXPENDITURE

The following table sets forth a breakdown of our capital expenditures for the periods indicated.

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchases of items of property, plant and equipment.	91,291	98,953	124,109
Purchases of items of intangible assets.	—	96	43
Total	91,291	99,049	124,152

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We expect to fund our capital expenditures with our operating cash flows as well as our own funds or other funds raised. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, our capital commitments amounted to RMB204.8 million, RMB192.6 million and RMB493.4 million, primarily in connection with capital expenditure contracted for but not yet provided for (i) purchases of items of property, plant and equipment and (ii) cooperation agreements with local government authorities or their industrial park management committees in Chinese mainland. See “Business — Cooperation with Local Government” for details.

The following table sets forth our capital commitments for the years indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:			
Purchases of items of property, plant and equipment	11,126	10,861	36,923
Cooperation agreements with local government authorities or their industrial park management committees in Chinese Mainland	193,696	181,693	456,495
Total	204,822	192,554	493,418

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated.

	As of December 31,		
	2023	2024	2025
Current ratio ⁽¹⁾	1.1	1.1	1.4
Quick ratio ⁽²⁾	0.6	0.7	0.8
Debt-to-equity ratio ⁽³⁾	99.7%	247.4%	141.4%
Gearing ratio ⁽⁴⁾	1.0	2.5	1.4
	For the year Ended December 31,		
	2023	2024	2025
Gross profit margin ⁽⁵⁾	(17.9)%	11.8%	9.0%

Notes:

- (1) Current ratio is calculated using total current assets divided by total current liabilities.
- (2) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
- (3) Debt-to-equity ratio is calculated using total debt (being the carrying balance of the interest-bearing bank and other borrowings) divided by total equity and multiplied by 100%.
- (4) Gearing ratio equals to total indebtedness (being interest-bearing bank and other borrowings and lease liabilities) divided by total equity.
- (5) Gross profit margin represents gross profit as a percentage of total revenue.

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See “— Results of Operations” in this section for a discussion of the factors affecting our gross profit margin during the relevant periods.

Current Ratio and Quick Ratio

Our current ratio remained relatively stable at 1.1 as of December 31, 2023 and 1.1 as of December 31, 2024, and our quick ratio remained relatively stable at 0.6 as of December 31, 2023 and 0.7 as of December 31, 2024.

Our current ratio increased from 1.1 as of December 31, 2024 to 1.4 as of December 31, 2025, primarily due to an increase in our current assets. Our quick ratio remained relatively stable at 0.7 as of December 31, 2024 and at 0.8 as of December 31, 2025.

Debt-to-equity Ratio

Our debt-to-equity ratio increased from 99.7% as of December 31, 2023 to 247.4% as of December 31, 2024. These increases were primarily due to the increases in our current and non-current bank and other borrowings. Our debt-to-equity ratio decreased significantly from 247.4% as of December 31, 2024 to 141.4% as of December 31, 2025, primarily due to an increase in our total equity.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 35 to the Accountants' Report included in Appendix I. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our Board reviewed and agreed the following risk management policies. For a detailed description of our financial risk management, see Note 39 to the Accountants' Report in Appendix I to this prospectus.

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with a floating interest rate. Our policy is to manage our interest cost using a mix of fixed and variable rate debts.

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Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. We adopt the method of purchasing forward foreign exchange contracts to maintain the principle of exchange rate neutrality.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. For more details of our credit risk, please also see Note 39 to the Accountants' Report set out in Appendix I to this prospectus.

Liquidity Risk

Our exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Our objective is to maintain a balance for continuity of funding to finance our working capital needs as well as capital expenditure. For details of the remaining contractual maturity of our financial liabilities, please also see Note 39 to the Accountants' Report set out in Appendix I to this prospectus.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximise shareholders' value. We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We are not subject to any externally imposed capital management. For more details of our credit risk, please also see Note 39 to the Accountants' Report set out in Appendix I to this prospectus.

DIVIDENDS

No dividends have been paid or declared by us during the Track Record Period.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio, and we may distribute dividends by way of cash or by other means that our Board considers appropriate. Pursuant to the Articles of Association, any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. In our company, our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other conditions that our Board may deem relevant. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. Under applicable PRC laws, dividends may be paid only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and required allocations to statutory capital reserve funds. As advised by our PRC Legal Advisor, we cannot pay dividends to our Shareholders as there is no distributable profits in view of the accumulated losses. Furthermore, in the future, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. See "Risk Factors — Risks Relating to our Business and Industry — There

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can be no assurance as to whether and when we will declare and distribute any dividends.” In addition, our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the Offer Price of HK\$114 per Offer Share and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately HK\$116 million, accounting for approximately 9% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$69 million, professional fees for our legal advisors and Reporting Accountants of HK\$30 million and other fees and expenses of HK\$17 million. An estimated amount of HK\$40 million for our listing expenses, accounting for approximately 3% of our gross proceeds, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$76 million is expected to be recognized directly as a deduction from equity upon the Listing. Approximately HK\$18 million of listing expenses was charged to our consolidated statements of profit or loss in 2025.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

See “Appendix II — Unaudited Pro Forma Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of our latest audited financial statements, and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this prospectus, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK\$1,415.3 million after deducting underwriting fees and commissions and estimated offering expenses paid and payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK\$114 per Offer Share.

We intend to use the proceeds from the Global Offering for the purposes set forth below:

- Approximately 53.4% of the net proceeds, or HK\$756.3 million, is expected to be used for expanding our production capacity for optical transceivers, and other optoelectronic interconnection products, and enhancing automation across our product lines.

These investments are expected to enable us to achieve greater economies of scale, further optimize our cost structure, and strengthen our supply capacity and market position. In response to emerging demand, the ramp-up of next-generation products, and ongoing technological advancement, we are strategically expanding our global production footprint to support product portfolio upgrades, ensure timely delivery, and sustain our long-term competitiveness. In particular, we plan to invest in constructing a production facility in Nantong equipped with automated production lines for high-speed optical transceivers and other optoelectronic interconnection products.

Our production capacity expansion plans include (i) the expansion and upgrade of our existing production facility in Nanjing, primarily to upgrade certain existing 400G production capacity to support the manufacture of 800G products principally through upgrades of chip burn-in chambers, optical coupling alignment equipment and module testing systems, (ii) the procurement of additional new production equipment, principally including high-precision pick-and-place machines, automatic wire bonding machines, automatic coupling alignment machines, high-speed sampling oscilloscopes and switches, which will be deployed primarily at our Nantong and Nanjing production facilities, to support our capacity expansion and the mass production of new products, as well as minor upgrades to our existing equipment to accommodate new product technical specifications and enhance our overall production efficiency, and (iii) the establishment of automated production lines for silicon photonics chips and packaging technology in Beijing, where the products manufactured will be further used in the production of high-speed optical transceivers.

FUTURE PLANS AND USE OF PROCEEDS

The capacity expansion covers our 400G, 800G, 1.6T and 3.2T/NPO business lines with clear pre- and post-expansion capacity indicators.

Product Category	Expected Completion Time of Capacity Expansion	Maximum Production Capacity Before Expansion (pcs/month)	Maximum Production Capacity After Expansion (pcs/month)	Project Type	Venue
400G.	2026 Q3	130,000	200,000	Production expansion	Nanjing
800G.	2026 Q3	10,000	70,000	Production expansion	Nanjing
	2027 Q1	70,000	100,000		Nantong
1.6T	2026 Q4	Small-scale sample production	10,000	New production lines	Nantong
	2027 Q2	10,000	100,000		
	2028 Q1	100,000	300,000		
3.2T/NPO products.	2028 Q3	—	10,000	New production lines	Nantong
Silicon photonics chips and advanced packaging.	2026 Q3	Small-scale sample production	200,000	New production lines	Beijing
	2027 Q2	200,000	Over 500,000		

The planned production capacity expansion is strategically aligned with global trends of growing AI computing demand.

In parallel with the production line expansion by facility and product speed set out above, we also plan to carry out general upgrades across our production lines to further enhance production automation, operational efficiency and sustainability. We plan to invest in advanced equipment as mentioned above, which offer higher production efficiency with larger capacity, to enhance automation and production efficiency, improve product quality and increase overall yield. We also intend to advance our ESG initiatives by adopting energy-efficient equipment such as thermoelectric cooling and heating device, which features more advanced technology and lower energy consumption and deploying intelligent environmental monitoring and control systems to further reduce energy consumption and waste emissions.

- Approximately 35.0% of the net proceeds, or HK\$496.0 million, is expected to be used for continuous investment in the research and development of new products and technologies over the next three years. Specifically:
 - (i) approximately 28.6% of the net proceeds, or HK\$405.0 million, is expected to be used retaining existing and attracting new top-tier R&D talent and professionals from world-class universities to further strengthen our global research and development capabilities. This includes remuneration and incentive programs for R&D personnel engaged in the development of optical transceivers, silicon photonic chips and other advanced optoelectronic interconnection technologies. The plan to retain existing and attract new R&D talent is expected to be implemented from 2026 to 2028, with approximately 27%, 33% and 40% of the net proceeds expected to be utilized in 2026, 2027 and 2028, respectively.
 - (ii) approximately 6.4% of the net proceeds, or HK\$90.9 million, is expected to be used procuring and installing specialized research and development equipment for optical transceivers, silicon photonic chips and other optoelectronic interconnection products. We plan to develop and test the technologies for high-speed optical transceivers,

FUTURE PLANS AND USE OF PROCEEDS

including 1.6T and 3.2T optical transceivers, next-generation models adopting NPO and CPO packaging technologies, as well as those incorporating LRO and LPO signal processing technologies. The plan to procure and install R&D equipment is expected to be implemented from 2026 to 2028, with approximately 28%, 36% and 36% of the net proceeds expected to be utilized in 2026, 2027 and 2028, respectively.

- Approximately 1.5% of the net proceeds, or HK\$21.5 million, is expected to be used for business promotion and market expansion initiatives over the next three years. Specifically:
 - (i) approximately 1.0% of the net proceeds, or HK\$14.2 million, is expected to be used for strengthening our domestic sales team and network to enhance customer engagement and responsiveness to client needs.
 - (ii) approximately 0.5% of the net proceeds, or HK\$7.3 million, is expected to be used for business promotion and brand-building activities, including organizing professional forums and seminars, participating in major industry exhibitions, and implementing targeted marketing campaigns to enhance our brand visibility and recognition.

Our market expansion plan is expected to be implemented from 2026 to 2028, including (i) domestic sales network expansion, and (ii) business promotion and brand-building, with approximately 24%, 38% and 38% of the net proceeds expected to be utilized in 2026, 2027 and 2028, respectively.

We believe that these efforts will deepen our relationships with existing customers, attract new clients, and accelerate our market penetration in both domestic and overseas markets.

- Approximately 10.0% of the net proceeds, or HK\$141.5 million, is expected to be used for working capital and for general corporate purposes.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to put into effect any part of our future development plans as intended, we will only deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Future Ordinance or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

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HONG KONG UNDERWRITER

Huatai Financial Holdings (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering 1,343,150 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price on the terms and subject to the conditions of this prospectus.

Subject to the Listing Committee granting the listing of, and permission to deal in, our H Shares in issue and to be issued as mentioned herein, and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriter have agreed severally, but not jointly, to subscribe for or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sole Sponsor and the Overall Coordinator shall be entitled by notice (in writing) to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to the time being 90 minutes before the trading of the H Shares first commences on the Stock Exchange:

1. there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Governmental Authority in or affecting Hong Kong, the PRC, or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in

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stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

- (c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation) in or affecting any of the Relevant Jurisdictions, or without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed), in or affecting any of the Relevant Jurisdictions; or
- (d) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or
- (e) any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) other than with the prior written consent of the Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (g) the commencement by any Governmental Authority or other regulatory or political body or organization of any public action or investigation against a Group Company or a Director or a senior management member of the Company in his/her capacity as such or announcing an intention to take any such action; or
- (h) any valid demand by creditors for repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (i) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

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- (j) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being instigated or announced against any member of the Group or any Warranting Shareholder or any Director or senior management members as named in the Prospectus; or
- (k) any contravention by the Company or any Director of the Listing Rules or applicable Laws; or
- (l) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriter):

- i. has or will or may have a material adverse effect or any development involving a prospective material adverse effect, on the profits, losses, results of operations, assets, liabilities, general affairs, business, management, performance, prospects, shareholders’ equity, position or condition (financial, trading or otherwise) of the Group, taken as a whole (“**Material Adverse Effect**”);
 - ii. has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
 - iii. makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or
 - iv. has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
2. there has come to the notice of the Sole Sponsor and the Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriter) that:
- (a) any statement contained in any of the Hong Kong Public Offering Documents, the CSRC Filings and/or any written notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Hong Kong Prospectus, constitute a material omission or misstatement in any Global Offering document; or

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- (c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the warranties given by the Company or the Warranting Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
- (e) any breach of any of the obligations or undertakings imposed upon the Company or any of the warranting shareholders to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (f) there is any change or development involving a prospective change, having a Material Adverse Effect; or
- (g) that the Chairman of the Board, any Director, supervisor or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (h) any Director, supervisor or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (i) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (j) that the approval by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (k) any expert named in the Prospectus (other than the Sole Sponsor) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (l) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (m) any person (other than the Sole Sponsor and the Overall Coordinator) has withdrawn or sought to withdraw its consent to being named in any of the offering documents or to the issue of any of the offering documents; or
- (n) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

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- (o) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or
- (p) that a material portion of the orders placed or confirmed in the bookbuilding process, or investment commitments made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled.

Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by our Company or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities of our Company will be completed within six months from the Listing Date) except (a) pursuant to the Global Offering; (b) pursuant to the Pre-IPO Share Option Scheme; or (c) in other circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Except for the offer and sale of the Offer Shares pursuant to the Global Offering or otherwise in compliance with the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the “**First Six-Month Period**”), our Company undertakes to each of the Sole Sponsor, the Sponsor-OC, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Managers, the Capital Market Intermediary and the Hong Kong Underwriter not to, and to procure each other member of our Group not to, without the prior written consent of the Sole Sponsor and the Overall Coordinator (for itself and on behalf of the Hong Kong Underwriter):

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or other securities of our Company, or any shares or other securities of such other member of our Group, as applicable, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any shares or other securities of such other member of our Group, as applicable), or deposit any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, with a depositary in connection with the issue of depositary receipts; or

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- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares) or any shares or other securities of such other member of our Group, as applicable; or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified (a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities or any shares or other securities of such other member of our Group will be completed within the First Six-Month Period). In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), our Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of our Company. The single largest shareholder undertakes to each of the Sole Sponsor, the Sponsor-OC, the Overall Coordinator, the Global Coordinator, the Lead Managers, the Bookrunner, the Capital Market Intermediaries and the Hong Kong Underwriter to procure our Company and each other member of our Group to comply with the undertakings stated above.

Indemnity

We have agreed to indemnify each of the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Managers, the Hong Kong Underwriter and the Capital Market Intermediaries for certain losses which they may suffer, including any breach by them, respectively, of the Hong Kong Underwriting Agreement or certain provisions thereof.

Underwriting Commission and Expenses

Our Company will pay an underwriting commission of 3.0% of the aggregate Offer Price of all the Offer Shares (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay an incentive fee of up to 1.5% of the Offer Price in respect of all the Offer Shares (the “**Discretionary Fees**”). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the “**Fee Split Ratio**”) as required under paragraph 3B of Appendix D1A to the Listing Rules, the Fee Split Ratio will be approximately 53.33:46.67 (on the basis that the Discretionary Fees will be fully paid). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriter and not the Hong Kong Underwriter.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately HK\$115.9 million in total (based on the Offer Price of HK\$114.00 per Offer Share).

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Hong Kong Underwriter's interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, as of the Latest Practicable Date, the Hong Kong Underwriter is not interested directly or indirectly in any Shares or securities in our Company or any other member of the Group or has any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any Shares or securities in our Company or any other member of the Group.

Following completion of the Global Offering, the Hong Kong Underwriter and its affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement with, among others, the International Underwriter. Under the International Underwriting Agreement, the International Underwriter would, subject to certain conditions, severally but not jointly agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering.

The International Underwriting Agreement is conditional on and subject to the Hong Kong Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that undertakings similar to those given to the Hong Kong Underwriter will be given by our Company to the International Underwriter under the International Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering, together referred to as "Syndicate Members", may each individually undertake, and which do not form part of the underwriting process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over-the-counter or listed

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derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares.

All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus. The Global Offering comprises of:

- (a) the Hong Kong Public Offering of initially 1,343,150 Offer Shares (subject to reallocation) in Hong Kong as described in the paragraph headed “— The Hong Kong Public Offering” in this section; and
- (b) the International Offering of an aggregate of 12,088,350 Offer Shares (subject to reallocation) outside the United States in offshore transactions in reliance on Regulation S.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The number of Hong Kong Offer Shares and International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering respectively may be subject to reallocation as described in the paragraph headed “— Pricing and Allocation” in this section.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares initially offered

We are initially offering 1,343,150 Hong Kong Offer Shares at the Offer Price, representing 10.0% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of Shares between (i) the International Offering, and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.50% of our Company’s enlarged issued share capital immediately after completion of the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed “— Conditions of the Global Offering” in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some

STRUCTURE OF THE GLOBAL OFFERING

applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) will be divided into two pools (with any odd board lots being allocated to pool A) for allocation purposes.

- (a) **Pool A:** The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less.
- (b) **Pool B:** The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value of pool B.

For the purpose of this sub-section only, the “subscription price” for Hong Kong Offer Shares means the price payable on application.

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 671,550 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 671,550 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong

STRUCTURE OF THE GLOBAL OFFERING

Public Offering will increase up to 2,014,700 Offer Shares, representing 15% of the number of Offer Shares initially available under the Global Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Friday, June 26, 2026.

Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriter would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK\$114.00 per Offer Share in addition to the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable on each Offer Share. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 12,088,350 Offer Shares (subject to reallocation), representing 90.0% of the total number of Offer Shares initially available under the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares initially offered under the International Offering will represent approximately 13.5% of our Company's enlarged issued share capital immediately after completion of the Global Offering.

Allocation

Pursuant to the International Offering, the International Underwriter will conditionally place the International Offer Shares with institutional and professional investors and other investors and expected to have a sizeable demand for the Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, the Offer Shares, after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid Shareholder base to the benefit of our Company and our Shareholders as a whole.

The Overall Coordinator and the Sole Sponsor may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Overall Coordinator and the Sole Sponsor so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering and/or any Offer Shares from the International Offering to the Hong Kong Public Offering at the discretion of the Overall Coordinator.

Over-allotment Option

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinator on behalf of the International Underwriter at any time from the date of the International Underwriting Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to an aggregate of 2,014,700 additional Offer Shares representing approximately 15% of the number of initial Offer Shares, at the same price per Offer Share under the International Offering to, among other things, cover over allocations (if any) in the International Offering.

If the Over-allotment Option is exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 2.20% of our Company's enlarged issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option.

In the event that the Over-allotment Option is exercised, an announcement will be made.

STRUCTURE OF THE GLOBAL OFFERING

PRICING AND ALLOCATION

The Offer Price will be HK\$114.00 per Offer Share, unless otherwise announced by our Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as further explained below.

The International Underwriter will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinator, for itself and on behalf of the Underwriter, and the Sole Sponsor, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company at www.crealights.com, notices of the reduction of the Offer Shares and/or the indicative Offer Price, and the cancellation of the Global Offering and relaunch of the offer at the revised number of Offer Shares and/or the revised Offer Price. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus or a new prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: updated (i) Offer Price and market capitalization; (ii) listing timetable and underwriting obligations; (iii) price/earning multiple, unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and working capital adequacy confirmation based on revised proceeds. In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and the Offer Price will be HK\$114.00 per Offer Share.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price as stated in this prospectus, or if our Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer and issue a supplemental prospectus or a new prospectus.

In the event of a reduction in the number of Offer Shares, the Overall Coordinator and the Sole Sponsor may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering.

The level of indications of interest in the International Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Friday, June 26, 2026 on the website of the Stock Exchange at www.hkexnews.hk and on the website of our Company at www.crealights.com.

STRUCTURE OF THE GLOBAL OFFERING

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriter under the terms of the Hong Kong Underwriting Agreement.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around Thursday, June 25, 2026.

These underwriting arrangements, and the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in the section headed “Underwriting” in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares pursuant to the Global Offering will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering, and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (b) the execution and delivery of the International Underwriting Agreement on or about Thursday, June 25, 2026; and
- (c) the obligations of the Underwriter under the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Overall Coordinator and the Global Coordinator and not having been terminated in accordance with the terms of the respective agreements in each case on or before the dates and times as specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event no later than Friday, July 24, 2026 (i.e., the 30th day after the date of this prospectus).

The completion of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company and on the websites of Stock Exchange at www.hkexnews.hk and our Company at www.crealights.com on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

STRUCTURE OF THE GLOBAL OFFERING

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds for Termination” has not been exercised. Investors who trade the H Shares prior to the receipt of H Share certificates or prior to the H Share certificates bearing valid evidence of title do so entirely at their own risk.

Application for Listing on the Stock Exchange

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and the Conversion of Unlisted Shares into H Shares.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS, established and operated by HKSCC.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, June 29, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, June 29, 2026.

The H Shares will be traded in board lots of 50 H Shares each and the stock code of the H Shares will be 1191.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.crealights.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- are outside the United States; and
- have a Hong Kong address (*for the **White Form eIPO** service only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or his/her/its close associates; or
- are a Director or any of his/her close associates.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Thursday, June 18, 2026 and end at 12:00 noon on Wednesday, June 24, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Thursday, June 18, 2026 to 11:30 a.m. on Wednesday, June 24, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, June 24, 2026, Hong Kong time.
HKSCC EIPO channel . . .	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian .

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

HOW TO APPLY FOR HONG KONG OFFER SHARES

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. HKID card; orii. National identification document; oriii. Passport; and• Identity document number	<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. LEI registration document; orii. Certificate of incorporation; oriii. Business registration certificate; oriv. Other equivalent document; and• Identity document number

Notes:

- (1) If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
- (2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (3) If the applicant is a trustee, the client identification data (“CID”) of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.
- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document’s issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
- (6) If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

“Statutory control” means you:

- control the composition of the board of directors of our company;
- control more than half of the voting power of our company; or
- hold more than half of the issued share capital of our company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney’s authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 50 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK\$114.00 per Offer Share.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Public Offer Shares you applied for.

HOW TO APPLY FOR HONG KONG OFFER SHARES

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
50	5,757.48	600	69,089.81	7,000	806,047.84	45,000	5,181,736.06
100	11,514.97	700	80,604.78	8,000	921,197.52	50,000	5,757,484.50
150	17,272.46	800	92,119.75	9,000	1,036,347.21	100,000	11,514,969.00
200	23,029.94	900	103,634.72	10,000	1,151,496.90	150,000	17,272,453.50
250	28,787.42	1,000	115,149.69	15,000	1,727,245.36	200,000	23,029,938.00
300	34,544.90	2,000	230,299.38	20,000	2,302,993.80	250,000	28,787,422.50
350	40,302.39	3,000	345,449.06	25,000	2,878,742.26	300,000	34,544,907.00
400	46,059.88	4,000	460,598.75	30,000	3,454,490.70	400,000	46,059,876.00
450	51,817.37	5,000	575,748.46	35,000	4,030,239.16	500,000	57,574,845.00
500	57,574.85	6,000	690,898.15	40,000	4,605,987.60	671,550 ⁽¹⁾	77,328,774.32

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (a) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agent, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (b) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (c) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (d) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (e) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (f) agree that the Sole Sponsor, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the Underwriter, the Capital Market Intermediary, any of their or our Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (g) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;
- (h) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (i) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results” in this section;
- (j) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (k) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (l) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (m) confirm that (a) your application or HKSCC Nominees’ application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;
- (n) warrant that the information you have provided is true and accurate;
- (o) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (p) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (q) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** service or by any one as your agent or by any other person; and
- (s) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving

HOW TO APPLY FOR HONG KONG OFFER SHARES

electronic application instructions to HKSCC and the **White Form eIPO** service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the White Form eIPO service or HKSCC EIPO channel:		
Website	From the “Allotment Results” page at www.eipo.com.hk with a “search by ID” function The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the White Form eIPO service at www.iporeresults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment). The Stock Exchange’s website at www.hkexnews.hk and our website at www.crealights.com which will provide links to the above-mentioned websites of the H Share Registrar.	24 hours, no later than 11:00 p.m. on Friday, June 26, 2026 to 12:00 midnight on Thursday, July 2, 2026 (Hong Kong time) No later than 11:00 p.m. on Friday, June 26, 2026 (Hong Kong time)
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Monday, June 29, 2026, Tuesday, June 30, 2026, Thursday, July 2, 2026 and Friday, July 3, 2026 (Hong Kong time) on a Business Day

For those applying through the **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, June 25, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange’s website at www.hkexnews.hk and our website at www.crealights.com by no later than 11:00 p.m. on Friday, June 26, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated; or
- we or the Overall Coordinators believe that by accepting your application, we or they would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

HOW TO APPLY FOR HONG KONG OFFER SHARES

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Monday, June 29, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate¹		
For application of 500,000 Hong Kong Offer Shares or more	<p>Collection in person at H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.</p> <p>Time: from 9:00 a.m. to 1:00 p.m. on Monday, June 29, 2026 (Hong Kong time)</p> <p>If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.</p> <p>Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p><i>Note:</i> If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.</p>	<p>H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.</p>
For application of less than 500,000 Hong Kong Offer Shares	<p>Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.</p> <p>Date: Friday, June 26, 2026.</p>	

¹ Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement being in force in Hong Kong in the morning on Friday, June 26, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, in which case our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "E. Bad Weather Arrangements" in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Monday, June 29, 2026.	Subject to the arrangement between you and your broker or custodian .
Responsible party	H Share Registrar	Your broker or custodian .
Application monies paid through single bank account	White Form e-Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, June 24, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, “**Bad Weather Signals**”), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, June 24, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next Business Day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.crealights.com of the revised timetable.

If a **Bad Weather Signal** is hoisted on Friday, June 26, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Monday, June 29, 2026.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If a **Bad Weather Signal** is hoisted on Friday, June 26, 2026, for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) and/or refund cheque (if applicable) will be made by ordinary post when the post office re-opens after the **Bad Weather Signal** is lowered or cancelled (e.g. in the afternoon of Friday, June 26, 2026 or on Monday, June 29, 2026).

If a **Bad Weather Signal** is hoisted on Monday, June 29, 2026, for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) and/or refund cheque (if applicable) will be available for collection in person at the H Share Registrar's office after the **Bad Weather Signal** is lowered or cancelled (e.g. in the afternoon of Monday, June 29, 2026 or on Tuesday, June 30, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent: necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers, etc.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CREALIGHTS TECHNOLOGY CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Crealights Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-81, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-81 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 18 June 2026 (the “**Prospectus**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that

gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Ernst & Young
Certified Public Accountants
Hong Kong
18 June 2026

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December	Year ended 31 December	Year ended 31 December
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
REVENUE	5	175,338	861,832	1,221,063
Cost of sales	7	(206,642)	(760,019)	(1,111,307)
Gross (loss)/profit.		(31,304)	101,813	109,756
Other income and gains	6	6,389	3,296	15,791
Selling and marketing expenses		(7,675)	(10,131)	(15,750)
Research and development expenses		(42,266)	(63,797)	(104,267)
Administrative expenses		(22,492)	(30,850)	(74,134)
Reversal of impairment/(impairment) of financial assets, net	7	5,431	(1,973)	(2,755)
Other expenses and losses	6	(13,072)	(7,559)	(9,653)
Finance costs	8	(3,252)	(8,537)	(19,126)
Fair value losses on derivative financial instruments	7	(323)	—	—
LOSS BEFORE TAX	7	(108,564)	(17,738)	(100,138)
Income tax expenses	11	—	(157)	—
LOSS FOR THE YEAR		(108,564)	(17,895)	(100,138)
Attributable to:				
Owners of the parent	12	(108,564)	(17,895)	(100,138)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)		(1.77)	(0.29)	(1.38)

Details of the Pre-IPO Investments are set out in note 29 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
LOSS FOR THE YEAR	(108,564)	(17,895)	(100,138)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	—	(321)	114
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	—	(321)	114
TOTAL COMPREHENSIVE LOSS FOR THE YEAR.	(108,564)	(18,216)	(100,024)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December	31 December	31 December
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	132,367	175,641	231,617
Right-of-use assets	14(a)	14,633	21,325	35,121
Intangible assets	15	175	174	113
Prepayments, other receivables and other assets	17	8,215	36,630	55,067
Time deposits	20	10,930	930	21,140
Total non-current assets		166,320	234,700	343,058
CURRENT ASSETS				
Inventories	22	126,340	324,591	616,988
Trade and bills receivables	21	63,816	275,033	438,685
Prepayments, other receivables and other assets	17	29,260	68,772	94,952
Financial assets at fair value through profit or loss	19	12,018	—	—
Time deposits	20	—	30,480	2,290
Pledged deposits	20	6,403	3,325	—
Cash and cash equivalents	20	32,967	74,963	334,040
Total current assets		270,804	777,164	1,486,955
CURRENT LIABILITIES				
Trade and bills payables	24	56,849	193,719	328,203
Other payables and accruals	25	51,824	57,186	50,529
Contract liabilities	26	—	4,997	2,417
Deferred income	27	1,355	1,635	626
Interest-bearing bank and other borrowings	23	124,598	420,042	680,838
Lease liabilities	14(b)	3,042	3,290	6,636
Provision	28	488	1,671	1,252
Tax payable		—	158	—
Total current liabilities		238,156	682,698	1,070,501
NET CURRENT ASSETS		32,648	94,466	416,454
TOTAL ASSETS LESS CURRENT LIABILITIES				
		198,968	329,166	759,512
NON-CURRENT LIABILITIES				
Deferred income	27	2,231	6,995	7,376
Interest-bearing bank and other borrowings	23	35,700	103,609	147,655
Lease liabilities	14(b)	—	6,195	17,001
Deferred tax liabilities	18	—	—	—
Provision	28	313	704	1,733
Total non-current liabilities		38,244	117,503	173,765
NET ASSETS		160,724	211,663	585,747
EQUITY				
Share capital	29	61,200	62,949	76,111
Reserves	30	99,524	148,714	509,636
Total equity		160,724	211,663	585,747

Details of the Pre-IPO Investments are set out in note 29 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	Attributable to owners of the parent				
		Share capital	Share premium	Share-based payment reserve	Accumulated losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023		61,200	256,952	10,638	(68,939)	259,851
Loss for the year		—	—	—	(108,564)	(108,564)
Total comprehensive loss for the year		—	—	—	(108,564)	(108,564)
Equity-settled share arrangements . .	31	—	—	9,437	—	9,437
At 31 December 2023		61,200	256,952	20,075	(177,503)	160,724

Year ended 31 December 2024

	Notes	Attributable to owners of the parent				
		Share capital	Share premium	Share-based payment reserve	Accumulated losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024		61,200	256,952	20,075	(177,503)	160,724
Loss for the year		—	—	—	(17,895)	(17,895)
Exchange differences related to foreign operations		—	—	—	(321)	(321)
Total comprehensive loss for the year		—	—	—	(18,216)	(18,216)
Capital paid in by shareholders . . .	29	1,749	58,251	—	—	60,000
Equity-settled share arrangements . .	31	—	—	9,155	—	9,155
As at 31 December 2024		62,949	315,203	29,230	(195,719)	211,663

Year ended 31 December 2025

	Notes	Attributable to owners of the parent				
		Share capital	Share premium	Share-based payment reserve	Accumulated losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025		62,949	315,203	29,230	(195,719)	211,663
Loss for the year		—	—	—	(100,138)	(100,138)
Exchange differences related to foreign operations		—	—	—	114	114
Total comprehensive loss for the year		—	—	—	(100,024)	(100,024)
Capital paid in by shareholders . . .	29	13,162	446,838	—	—	460,000
Equity-settled share arrangements . .	31	—	—	19,060	—	19,060
Shares issuance cost		—	(4,952)	—	—	(4,952)
As at 31 December 2025		76,111	757,089	48,290	(295,743)	585,747

These reserve accounts comprise the consolidated reserves of RMB99,524,000, RMB148,714,000 and RMB509,636,000 in the consolidated statements of financial position as at 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December	Year ended 31 December	Year ended 31 December
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax.		(108,564)	(17,738)	(100,138)
Adjustments for:				
Finance costs	8	3,252	8,537	19,126
Interest income.	6	(1,787)	(1,288)	(3,684)
Depreciation of property, plant and equipment.	7	17,980	21,199	24,861
Depreciation of right-of-use assets.	7	2,936	3,201	5,757
Amortization of other intangible assets	7	108	97	104
Impairment of inventories	7	41,498	35,857	73,623
(Reversal of impairment)/impairment of financial assets, net	7	(5,431)	1,973	2,755
Share-based payment expense	7	9,437	9,155	19,060
Foreign exchange difference, net	6	2,612	7,327	4,284
Fair value losses on derivative financial instruments	7	323	—	—
Gain on disposal of financial assets at fair value through profit or loss	6	(730)	(116)	(1,511)
Impairment of items of property, plant and equipment.	6	10,459	—	—
Loss on disposal of items of property, plant and equipment, net		—	—	50
Loss on disposal of derivative financial instruments	6	1,078	805	55
		(26,829)	69,009	44,342
Increase in inventories		(107,731)	(234,108)	(366,020)
Increase in trade and bills receivables		(8,940)	(212,317)	(166,923)
Increase in prepayments, other receivables and other assets.		(7,718)	(29,000)	(11,942)
(Increase)/decrease in pledged deposits		(6,403)	3,078	3,325
(Decrease)/increase in deferred income		(691)	5,044	(628)
Increase in trade and bills payables		65,514	125,562	134,484
Increase in other payables and accruals		1,817	11,353	6,393
(Decrease)/increase in contract liabilities . . .		—	4,997	(2,580)
(Decrease)/increase in provision		(61)	1,574	610
Cash flow used in operations.		(91,042)	(254,808)	(358,939)
Income tax paid		—	—	(158)
Net cash flows used in operating activities. .		(91,042)	(254,808)	(359,097)

APPENDIX I

ACCOUNTANTS' REPORT

		Year ended 31 December	Year ended 31 December	Year ended 31 December
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease/(increase) in time deposits		3,047	(20,480)	8,390
Purchases of financial assets at fair value through profit or loss		(444,000)	(122,000)	(675,000)
Proceeds from disposals of financial assets at fair value through profit or loss		431,652	133,329	676,456
Purchases of items of property, plant and equipment		(91,291)	(98,953)	(124,109)
Purchases of intangible assets		—	(96)	(43)
Interest received		1,788	1,288	3,274
Net cash flows used in investing activities . .		(98,804)	(106,912)	(111,032)
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital paid in shareholders		—	60,000	460,000
New bank loan and other borrowings	32	142,484	536,742	878,237
Repayment of bank loans and other borrowings	32	(64,853)	(173,466)	(573,733)
Interest paid	32	(2,789)	(8,389)	(18,251)
Repayment of lease liabilities	32	(3,095)	(3,521)	(5,938)
Share issuance costs		—	—	(4,952)
Deferred listing expenditures		—	—	(1,987)
Net cash flows generated from financing activities		71,747	411,366	733,376
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of year		153,677	32,967	74,963
Effect of foreign exchange rate changes, net		(2,611)	(7,650)	(4,170)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		32,967	74,963	334,040
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		50,300	109,698	357,470
Less: Time deposits with original maturity of over three months when acquired		10,930	31,410	23,430
Less: Restricted bank deposits		6,403	3,325	—
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows		32,967	74,963	334,040

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December	31 December	31 December
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	62,082	104,896	37,633
Right-of-use assets	14(a)	2,678	9,202	8,324
Intangible assets		175	174	—
Prepayments, other receivables and other assets	17	8,516	36,931	1,651
Time deposits	20	10,930	930	21,140
Investments in subsidiaries	16	24,090	36,612	168,161
Total non-current assets		108,471	188,745	236,909
CURRENT ASSETS				
Inventories	22	126,340	324,591	1,051
Trade and bills receivables	21	63,816	291,174	888,924
Prepayments, other receivables and other assets	17	25,738	58,008	584,688
Financial assets at fair value through profit or loss	19	10,000	—	—
Time deposits	20	—	30,480	2,290
Pledged deposits	20	6,403	3,325	—
Cash and cash equivalents	20	32,907	52,707	236,993
Total current assets		265,204	760,285	1,713,946
CURRENT LIABILITIES				
Trade and bills payables	24	56,323	193,328	305,655
Other payables and accruals	25	8,524	31,076	86,973
Contract liabilities	26	—	3,783	1,079
Deferred income	27	1,355	1,635	626
Interest-bearing bank and other borrowings	23	107,869	413,681	630,796
Lease liabilities	14(b)	3,042	3,010	1,551
Deferred tax liabilities		—	—	—
Provision		488	1,671	934
Total current liabilities		177,601	648,184	1,027,614
NET CURRENT ASSETS		87,603	112,101	686,332
TOTAL ASSETS LESS CURRENT LIABILITIES		196,074	300,846	923,241
NON-CURRENT LIABILITIES				
Deferred income	27	2,231	3,495	3,872
Interest-bearing bank and other borrowings	23	21,700	61,109	92,107
Lease Liabilities	14(b)	—	6,050	7,365
Provision		313	704	1,415
Total non-current liabilities		24,244	71,358	104,759
NET ASSETS		171,830	229,488	818,482
EQUITY				
Share capital	29	61,200	62,949	76,111
Reserves	30	110,630	166,539	742,371
Total equity		171,830	229,488	818,482

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Crealights Technology Co., Ltd. (the “**Company**”) is a joint stock limited company registered in the People’s Republic of China (“**PRC**”). The registered office of the Company is located at Room 101, 1st Floor, Building 3, Courtyard 10, Liangshuihe 1st Street, Beijing Economic-Technological Development Area, Beijing, PRC.

During the Relevant Periods, the Company’s subsidiaries were principally involved in the business of manufacturing and sale of optical transceivers.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Notes	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/registered capital	Percentage of equity directly attributable to the Company held	Principal activities
南通海光芯創科技有限公司 (Nantong Crealights Technology Co., Ltd. (“ Nantong Crealights ”))	<i>a</i>	PRC/Chinese Mainland 28 October 2020	RMB200,000,000	100%	Research and development (“ R&D ”) and manufacture of optical transceivers
北京海光芯誠半導體科技有限公司 (Beijing Crealights Technology Co., Ltd. (“ Beijing Crealights ”))	<i>a</i>	PRC/Chinese Mainland 9 April 2024	RMB10,000,000	100%	R&D and manufacture of optical transceivers
南京海芯誠科技有限公司 (Nanjing Crealights Technology Co., Ltd. (“ Nanjing Crealights ”))	<i>a</i>	PRC/Chinese Mainland 17 February 2025	RMB100,000,000	100%	R&D and manufacture of optical transceivers
蘇州海光芯誠科技有限公司 (Suzhou Crealights Technology Co., Ltd. (“ Suzhou Crealights ”))	<i>a</i>	PRC/Chinese Mainland 7 July 2025	RMB60,000,000	100%	R&D and manufacture of optical transceivers
Crealights Technology Pte. Ltd.. (“ Singapore Crealights ”)	<i>b</i>	Singapore 19 December 2023	USD3,000	100%	Sale of optical transceivers

The English names of all group companies registered in the Chinese Mainland represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Notes:

- (a) No audited financial statements have been prepared for these entities during the Relevant Periods.
- (b) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared under Financial Reporting Standards in Singapore (FRSs) for Non-Publicly Accountable Entities were audited by Chan Leng Leng & Co., certified public accountants registered in Singapore.

2.1 BASIS OF PREPARATION

As set out in note 29 to the Historical Financial Information, certain of the ordinary shares issued by the Company included redemption right granted to certain shareholders according to their investment agreements entered into with the Company. Pursuant to the supplemental agreements entered into subsequently between the Company and the foregoing shareholders in relation to the termination of redemption right granted by the Company are void ab initio, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the Company's directors considered that it is appropriate to present such capital paid in by those shareholders with redemption right as equity throughout the Relevant Periods.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for derivative financial instruments and financial assets at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within consolidated statements of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the consolidated statements of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and additional disclosure will be included in the Historical Financial Information.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent

(ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy by applying the general price index in accordance with paragraph 34 of IAS 29, Financial Reporting in Hyperinflationary Economies. The amendments introduce certain additional disclosures. Early application is permitted. The amendments are not expected to have a significant impact on the Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures its derivative financial instruments and financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to consolidated statements of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to consolidated statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to consolidated statements of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Office and other equipment	19.00%
Electronic devices	31.67%
Machinery equipment	9.50%–19.00%
Motor vehicles	9.50%
Leasehold improvements	20.00%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 3 to 5 years.

Patents and license

Patents and license are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office buildings	2 to 8 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group

exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in consolidated statements of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities at amortised cost

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals and interest-bearing bank and other borrowings, lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government subsidies

Government subsidies are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of products

Revenue is recognised when the control of the optical transceivers is transferred to the customer, that is, when the products have been delivered to the specific location of the customer and the customer has confirmed the acceptance of the products. The Group recognises trade receivable upon receipt of the signed receipt after the delivery of goods to the customer, as this represents the point in time when the consideration right becomes unconditional, as it only takes some time before the payment is due.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share-based payment expense. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to consolidated statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group has no further obligations beyond the contributions made.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

This Historical Financial Information is presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the exchange rates that approximate to those prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items .

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, are currencies other than Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their consolidated statements of profit or loss are translated into Renminbi at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the Historical Financial Information:

Revenue recognition

The determination of whether revenues should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. In determining whether the Group acts as the principal or an agent, the Group follows the accounting guidance for principal-agent considerations in IFRS 15.

Estimation uncertainty

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 17 and note 21 to the Historical Financial Information.

Provision of inventories

The Group reviews the ageing analysis of the Group's inventories at the end of each reporting period, and makes provision for obsolete items when events or changes in circumstances show that the balance of inventories may not be realisable. The assessment of the provision amount involves management judgement and estimates by considering historical consumption. Where the actual outcome is different from the original estimate, such differences will have an impact on the carrying value of the inventories and provision charge/write-back in the period in which such estimate has been changed.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each reporting period. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or a cash-generating unit are undertaken, management must estimate the expected future cash flows from the asset or a cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. OPERATING SEGMENT INFORMATION

The Group is engaging in the research and development, manufacture and sale of optical transceivers, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Geographical information*(a) Revenue from external customers:*

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
North America			
— United States of America	84,784	121,207	93,798
Asia			
— Chinese Mainland	76,124	623,555	1,099,262
— Malaysia	—	108,865	13,690
— Rest of Asia	11,790	5,539	9,705
Europe and others	2,640	2,666	4,608
Total revenue	175,338	861,832	1,221,063

The revenue information above is based on the locations of the customers.

(b) Non-current assets

All the non-current assets of the Group are physically located in Chinese Mainland.

Information about major customers

Information about external customers from which the revenue amounted to over 10% of the total revenue of the Group for the years ended 31 December 2023, 2024 and 2025 was set forth below:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	62,773	217,215	256,757
Customer B	*	*	251,561
Customer C	84,816	117,092	*
Customer D	*	100,555	*
Customer E	*	*	183,340
Customer F	*	*	180,590

* Less than 10% of the Group's revenue.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	175,338	861,832	1,221,063

(a) Disaggregated revenue information

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Active Optical Cables ("AOC").	46,057	151,116	248,127
Optical transceivers	123,845	589,721	923,944
Others	5,436	120,995	48,992
Total	175,338	861,832	1,221,063
Timing of revenue recognition			
Goods transferred at a point in time.	175,338	861,832	1,221,063

The revenue derived from each of the geographical market has been set out above.

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	—	—	4,997

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of AOC and optical transceivers

The performance obligation is satisfied when the products have been delivered to the specific location of the customer and the customer has confirmed the acceptance of products and payments is generally due within 30 to 90 days from received invoice.

All amounts of transaction prices allocated to the performance obligations of sale of optical transceivers are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus directors applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each reporting period.

6. OTHER INCOME AND GAINS, OTHER EXPENSES AND LOSSES

		Year ended 31 December	Year ended 31 December	Year ended 31 December
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Other income				
Interest income		1,787	1,288	3,684
Government subsidies*		4,950	2,697	10,700
Others		—	—	1
Total other income		6,737	3,985	14,385
Gains				
Gains on disposal of financial assets at fair value through profit or loss	7	730	116	1,511
Losses on disposal of derivative financial instruments	7	(1,078)	(805)	(55)
Loss on disposal of items of property, plant and equipment		—	—	(50)
Total gains		(348)	(689)	1,406
Total other income and gains		6,389	3,296	15,791
Other expenses and losses				
Exchange differences, net		(2,612)	(7,327)	(4,284)
Impairment of items of property, plant and equipment		(10,459)	—	—
Others		(1)	(232)	(5,369)
Other expenses and losses		(13,072)	(7,559)	(9,653)

* Subsidies were received for the Group's operating businesses and there were no unfulfilled conditions or contingencies relating to these subsidies during the Relevant Periods.

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		Year ended 31 December	Year ended 31 December	Year ended 31 December
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold*	Notes	206,642	760,019	1,111,307
Depreciation of property, plant and equipment.	13	17,980	21,199	24,861
Depreciation of right-of-use assets.	14	2,936	3,201	5,757
Amortisation of intangible assets.	15	108	97	104
Listing expenses.		—	—	17,715
Employee benefit expense (including directors' and chief executive's remuneration (note 9):				
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans).		44,679	63,517	87,319
Share-based payment expense		9,437	9,155	19,060
Impairment of inventories	22	41,498	35,857	73,623
(Reversal of impairment)/impairment of financial assets, net.		(5,431)	1,973	2,755
Impairment of items of property, plant and equipment.	13	10,459	—	—
Fair value gains on derivative financial instruments		323	—	—
Losses on disposal of financial assets at fair value through profit or loss		(730)	(116)	(1,511)
Loss on disposal of derivative financial instruments		1,078	805	55

* Cost of inventories sold include provision for inventories and expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and employee benefit expense, which are also included in the respective total amounts disclosed above for each of these types of expenses.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on bank and other borrowings	3,050	8,466	18,589
Interest on lease liabilities.	202	71	537
Total	3,252	8,537	19,126

Details of the Pre-IPO Investments are set out in note 29 to the Historical Financial Information.

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

The remuneration of directors and the supervisors of the Company recorded in each of the Relevant Periods is set out below:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	150	150	150
Other emoluments:			
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	4,254	4,851	4,449
Share-based compensation expenses	9,133	9,308	12,690
Total	13,537	14,309	17,289

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
HaoPing Xu	50	50	50
Guiming Qiao	50	50	50
Fei Wang	50	50	50
Total	150	150	150

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

- (1) In December 2020, Ms. HaoPing Xu was appointed as an independent non-executive director of the Company.
- (2) In December 2020, Mr. Guiming Qiao was appointed as an independent non-executive director of the Company.
- (3) In December 2020, Ms. Fei Wang was appointed as an independent non-executive director of the Company.

(b) Executive director and supervisors

Year ended 31 December 2023

	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:			
Zhaoyang Hu	840	7,353	8,193
Yong Hu	684	1,590	2,274
Hong Zhou	566	148	714
Songpu Zhang	599	42	641
Xiaogang Chen	1,093	—	1,093
	3,782	9,133	12,915
Supervisors:			
Xiuxiu Zhao	233	—	233
Hui Wang	218	—	218
Huaifeng Wei	21	—	21
	472	—	472
Total	4,254	9,133	13,387

Year ended 31 December 2024

	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:			
Zhaoyang Hu	935	7,528	8,463
Yong Hu	821	1,590	2,411
Hong Zhou	693	148	841
Songpu Zhang	658	42	700
Guan Wang (王冠)	138	—	138
Xiaogang Chen	1,025	—	1,025
	4,270	9,308	13,578
Supervisors:			
Xiuxiu Zhao	269	—	269
Hui Wang	312	—	312
	581	—	581
Total	4,851	9,308	14,159

Year ended 31 December 2025

	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:			
Zhaoyang Hu	976	9,916	10,892
Yong Hu	880	2,087	2,967
Hong Zhou	680	645	1,325
Songpu Zhang	664	42	706
Guan Wang	663	—	663
	<u>3,863</u>	<u>12,690</u>	<u>16,553</u>
Supervisors:			
Xiuxiu Zhao	266	—	266
Hui Wang	320	—	320
	<u>586</u>	<u>—</u>	<u>586</u>
Total	<u>4,449</u>	<u>12,690</u>	<u>17,139</u>

- (1) In December 2020, Mr. Zhaoyang Hu was appointed as an executive director of the Company. During the Relevant Periods, Mr. Zhaoyang Hu served as the chief executive of the Company.
- (2) In December 2020, Mr. Yong Hu was appointed as an executive director of the Company.
- (3) In December 2020, Ms. Hong Zhou was appointed as an executive director of the Company.
- (4) In August 2022, Mr. Songpu Zhang was appointed as an executive director of the Company.
- (5) In December 2024, Mr. Guan Wang was appointed as an executive director of the Company.
- (6) In August 2022, Mr. Xiaogang Chen was appointed as an executive director of the Company and resigned in December 2024.
- (7) In December 2020, Mr. Liangliang Song was appointed as an executive director of the Company and resigned in April 2022.
- (8) In December 2020, Ms. Mengxi Jin was appointed as an executive director of the Company and resigned in June 2022.
- (9) In February 2023, Ms. Xiuxiu Zhao was appointed as a supervisor of the Company.
- (10) In December 2020, Ms. Hui Wang was appointed as a supervisor of the Company.
- (11) In December 2020, Mr. Huaifeng Wei was appointed as a supervisor of the Company and resigned in January 2023.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

There was no arrangement under which a director or the supervisor waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose remunerations were the highest in the Group for the years ended 31 December 2023, 2024 and 2025 include 1, 2 and 2 directors respectively, details of whose remuneration are set out in note 9 above. Details of the remunerations of the remaining 4, 3 and 3 individuals who are neither directors nor supervisors of the Company during the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other emoluments:			
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	3,380	2,658	3,066
Share-based compensation expenses	—	—	1,490
Total	<u>3,380</u>	<u>2,658</u>	<u>4,556</u>

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
Nil to HK\$1,000,000	3	2	—
HK\$1,000,001 to HK\$1,500,000	1	1	3
Total	<u>4</u>	<u>3</u>	<u>3</u>

11. INCOME TAX EXPENSES

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operated.

Chinese Mainland

Under the Law on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate for the Group’s subsidiaries in Chinese Mainland is 25% unless subject to preferential tax rate.

The Company was qualified as a High and New Technology Enterprise (“**HNTE**”) and was entitled to a preferential tax rate of 15% during the Relevant Periods. This qualification is subject to review by the relevant tax authority every three years.

Singapore

The subsidiary incorporated in Singapore was subject to Singapore profits tax at the rate of 17% for taxable income on any estimated assessable profits arising in Singapore during the Relevant Periods.

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax			
— Chinese Mainland	—	—	—
— Singapore	—	157	—
Deferred tax (<i>note 18</i>)	—	—	—
Total tax charge for the year	—	157	—

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax.	(108,564)	(17,738)	(100,138)
Tax at statutory tax rate of 15%	(16,285)	(2,661)	(15,021)
Effect of different tax rates	(1,161)	(723)	(6,838)
Additional deductible allowance for research and development expenses	(5,698)	(9,802)	(18,807)
Expenses not deductible for tax	221	100	652
Tax losses and deductible temporary differences not recognised	22,923	13,243	40,014
Tax charge for the year	—	157	—

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the Relevant Periods.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the potential ordinary shares had an anti-dilutive effect on the basic loss per share amount presented.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss			
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	(108,564)	(17,895)	(100,138)

	Number of shares		
	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	'000	'000	'000
Shares			
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	61,200	61,864	72,351

Details of the Pre-IPO Investments are set out in note 29 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

31 December 2023

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023							
Cost	1,235	2,556	93,122	434	28,532	36,340	162,219
Accumulated depreciation and impairment	(567)	(1,728)	(40,109)	(197)	(12,959)	—	(55,560)
Net carrying amount.	668	828	53,013	237	15,573	36,340	106,659
At 1 January 2023, net of accumulated depreciation	668	828	53,013	237	15,573	36,340	106,659
Additions	37	1,294	8,074	—	337	44,405	54,147
Impairment	—	—	—	—	—	(10,459)	(10,459)
Depreciation provided during the year.	(182)	(689)	(11,309)	(86)	(5,714)	—	(17,980)
At 31 December 2023, net of accumulated depreciation	523	1,433	49,778	151	10,196	70,286	132,367
At 31 December 2023:							
Cost	1,271	3,850	101,196	434	28,869	70,286	205,906
Accumulated depreciation and impairment	(748)	(2,417)	(51,418)	(283)	(18,673)	—	(73,539)
Net carrying amount.	523	1,433	49,778	151	10,196	70,286	132,367

APPENDIX I

ACCOUNTANTS' REPORT

31 December 2024

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024:							
Cost	1,271	3,850	101,196	434	28,869	70,286	205,906
Accumulated depreciation and impairment	(748)	(2,417)	(51,418)	(283)	(18,673)	—	(73,539)
Net carrying amount.	523	1,433	49,778	151	10,196	70,286	132,367
At 1 January 2024, net of accumulated depreciation	523	1,433	49,778	151	10,196	70,286	132,367
Additions	38	999	62,667	—	416	353	64,473
Depreciation provided during the year. .	(188)	(686)	(14,438)	(86)	(5,801)	—	(21,199)
At 31 December 2024, net of accumulated depreciation	373	1,746	98,007	65	4,811	70,639	175,641
At 31 December 2024:							
Cost	1,309	4,849	163,863	434	29,285	70,639	270,379
Accumulated depreciation and impairment	(936)	(3,103)	(65,856)	(369)	(24,474)	—	(94,738)
Net carrying amount.	373	1,746	98,007	65	4,811	70,639	175,641

31 December 2025

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025:							
Cost	1,309	4,849	163,863	434	29,285	70,639	270,379
Accumulated depreciation and impairment	(936)	(3,103)	(65,856)	(369)	(24,474)	—	(94,738)
Net carrying amount.	373	1,746	98,007	65	4,811	70,639	175,641
At 1 January 2025 net of accumulated depreciation	373	1,746	98,007	65	4,811	70,639	175,641
Additions	209	1,513	54,182	515	—	24,468	80,887
Disposals	—	—	(50)	—	—	—	(50)
Depreciation provided during the year. .	(188)	(967)	(19,561)	(43)	(4,102)	—	(24,861)
Transfers	—	—	33	—	31,345	(31,378)	—
At 31 December 2025, net of accumulated depreciation	394	2,292	132,611	537	32,054	63,729	231,617

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025:							
Cost	1,519	6,362	217,961	949	60,630	63,729	351,150
Accumulated depreciation and impairment	(1,125)	(4,070)	(85,350)	(412)	(28,576)	—	(119,533)
Net carrying amount.	394	2,292	132,611	537	32,054	63,729	231,617

During the Relevant Periods, the Group recorded continuous net losses. and there were indications of impairment.

The Group performed impairment tests on a cash-generating unit (“CGU”) which engaged in production of optoelectronic interconnection products amounting to RMB73,452,000, RMB127,315,000 and RMB156,582,000 at the end of each of Relevant Periods, respectively.

The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections of financial budgets approved by the Group’s management. The budgeted sales and margins are estimated based on historical information achieved and expected market development.

Below sets out key assumptions as adopted by the Group’s management in the impairment assessment:

	As at 31 December		
	2023	2024	2025
Annual revenue growth rate	0%–322%	0%–55%	0%–16%
Discount rate (before tax)	14.4%	14.8%	12.7%

The management believes that, any reasonably possible change in the key parameters would not cause the CGU’s carrying amount to exceed its recoverable amount. The management determined that there was no impairment of its CGUs during the Relevant Periods.

Due to the prolonged suspension of a factory construction of the Group, the Company’s management has identified a risk of impairment and therefore engaged external appraisers to assess the asset relating to the factory under construction at 31 December 2023, 2024 and 2025. The recoverable amount is determined on the basis of fair value less costs of disposal. The fair value has been arrived at with the adoption of the hypothetical development method on the assumption that construction in progress would be developed to a usable state in accordance with the established development plan. To determine the fair value of the factory assets, a direct comparison is made using rental data that is available and comparable in the relevant market, and the construction and other costs expected to be incurred from the valuation date to the completion of development are deducted. The fair value is

measured at level 3 of the fair value hierarchy. According to the impairment assessment, amount of RMB10,459,000, nil and nil was recognized in the statement of profit or loss, respectively, for the asset relating to the factory under construction.

As at 31 December 2025, certain construction in progress of the Group with a net carrying value of approximately RMB63,729,000 was pledged to secure interest-bearing bank and other borrowings of the Group.

The Company

31 December 2023

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023:						
Cost	1,235	2,556	93,122	434	28,532	125,879
Accumulated depreciation	(567)	(1,728)	(40,109)	(197)	(12,959)	(55,560)
Net carrying amount	668	828	53,013	237	15,573	70,319
At 1 January 2023, net of accumulated depreciation . .	668	828	53,013	237	15,573	70,319
Additions	38	1,294	8,075	—	337	9,744
Depreciation provided during the year	(183)	(689)	(11,309)	(86)	(5,714)	(17,981)
At 31 December 2023, net of accumulated depreciation.	523	1,433	49,779	151	10,196	62,082
At 31 December 2023:						
Cost	1,273	3,850	101,197	434	28,869	135,623
Accumulated depreciation	(750)	(2,417)	(51,418)	(283)	(18,673)	(73,541)
Net carrying amount	523	1,433	49,779	151	10,196	62,082

31 December 2024

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024:						
Cost	1,273	3,850	101,197	434	28,869	135,623
Accumulated depreciation	(750)	(2,417)	(51,418)	(283)	(18,673)	(73,541)
Net carrying amount	523	1,433	49,779	151	10,196	62,082
At 1 January 2024, net of accumulated depreciation . .	523	1,433	49,779	151	10,196	62,082
Additions	14	931	62,644	—	416	64,005
Depreciation provided during the year	(186)	(681)	(14,437)	(86)	(5,801)	(21,191)
At 31 December 2024, net of accumulated depreciation.	351	1,683	97,986	65	4,811	104,896

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024:						
Cost.	1,287	4,781	163,841	434	29,285	199,628
Accumulated depreciation	(936)	(3,098)	(65,855)	(369)	(24,474)	(94,732)
Net carrying amount	351	1,683	97,986	65	4,811	104,896

31 December 2025

	Office and other equipment	Electronic devices	Machinery equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025:						
Cost.	1,287	4,781	163,841	434	29,285	199,628
Accumulated depreciation	(936)	(3,098)	(65,855)	(369)	(24,474)	(94,732)
Net carrying amount	351	1,683	97,986	65	4,811	104,896
At 1 January 2025 net of accumulated depreciation . . .	351	1,683	97,986	65	4,811	104,896
Additions	—	1,372	35,933	—	—	37,305
Disposals	(206)	(2,091)	(79,915)	(22)	(1,559)	(83,793)
Depreciation provided during the year	(145)	(766)	(16,569)	(43)	(3,252)	(20,775)
At 31 December 2025, net of accumulated depreciation.	—	198	37,435	—	—	37,633
At 31 December 2025:						
Cost.	—	201	40,840	—	—	41,041
Accumulated depreciation	—	(3)	(3,405)	—	—	(3,408)
Net carrying amount	—	198	37,435	—	—	37,633

14. LEASES**The Group as a lessee**

The Group has lease contracts for leasehold land and office buildings used in its operations. Leases of leasehold land generally have lease terms of 50 years and office buildings generally have lease terms between 2 and 8 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

		Office buildings	Leasehold land	Total
	Note	RMB'000	RMB'000	RMB'000
As at 1 January 2023		5,362	12,207	17,569
Depreciation for the year	7	(2,684)	(252)	(2,936)
As at 31 December 2023 and 1 January 2024		2,678	11,955	14,633
Additions		9,893	—	9,893
Depreciation for the year	7	(2,948)	(253)	(3,201)
As at 31 December 2024 and 1 January 2025		9,623	11,702	21,325
Additions		19,553	—	19,553
Depreciation for the year	7	(5,504)	(253)	(5,757)
As at 31 December 2025		23,672	11,449	35,121

As of 31 December 2023, 2024 and 2025, the Group's leasehold land with net carrying values of approximately RMB11,955,000, RMB11,702,000, and RMB11,449,000, respectively, were pledged to secure interest-bearing bank and other borrowings of the Group.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

		31 December	31 December	31 December
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
At beginning of year		5,935	3,042	9,485
New leases		—	9,893	19,553
Accretion of interest recognised during the year	8	202	71	537
Payments		(3,095)	(3,521)	(5,938)
At end of year		3,042	9,485	23,637
Analysed into:				
Current portion		3,042	3,290	6,636
Non-current portion		—	6,195	17,001

- (c) The amounts recognised in consolidated statements of profit or loss in relation to leases are as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	202	71	537
Depreciation of right-of-use assets	2,936	3,201	5,757
Total amount recognised in profit or loss	3,138	3,272	6,294

- (d) The total cash outflows for leases are set out in note 32(b).

The Company as a lessee

The Company has lease contracts for office buildings used in its operations. Leases of leasehold land generally have lease terms of 50 years and office buildings generally have lease terms between 2 and 8 years.

(a) Right-of-use assets

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Office buildings	Leasehold land	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	5,362	—	5,362
Depreciation for the year	(2,684)	—	(2,684)
As at 31 December 2023 and 1 January 2024	2,678	—	2,678
Additions	9,331	—	9,331
Depreciation for the year	(2,807)	—	(2,807)
As at 31 December 2024 and 1 January 2025	9,202	—	9,202
Additions	9,365	—	9,365
Disposals	(6,610)	—	(6,610)
Depreciation for the year	(3,633)	—	(3,633)
As at 31 December 2025	8,324	—	8,324

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	RMB'000	RMB'000
At beginning of year	5,935	3,042	9,060
New leases	—	9,331	9,365
Accretion of interest recognised during the year	202	62	309
Payments	(3,095)	(3,375)	(3,268)
Disposals	—	—	(6,550)
At end of year	3,042	9,060	8,916
Analysed into:			
Current portion	3,042	3,010	1,551
Non-current portion	—	6,050	7,365

(c) The amounts recognised in consolidated statements of profit or loss in relation to leases are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	202	62	309
Depreciation charge of right-of-use assets . . .	2,684	2,807	3,633
Total amount recognised in profit or loss . . .	2,886	2,869	3,942

15. INTANGIBLE ASSETS

	Software	Patents and license	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
At 1 January 2023:			
Cost	1,077	24	1,101
Accumulated amortization	(794)	(24)	(818)
Net carrying amount	283	—	283
Cost at 1 January 2023, net of accumulated amortization	283	—	283
Amortization during the year	(108)	—	(108)
At 31 December 2023, net of accumulated amortization	175	—	175
At 31 December 2023			
Cost	1,077	24	1,101
Accumulated amortization	(902)	(24)	(926)
Net carrying amount	175	—	175

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ACCOUNTANTS' REPORT

	Software	Patents and license	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024			
At 1 January 2024:			
Cost	1,077	24	1,101
Accumulated amortization	(902)	(24)	(926)
Net carrying amount	175	—	175
Cost at 1 January 2024, net of accumulated amortization	175	—	175
Additions	96	—	96
Amortization during the year	(97)	—	(97)
At 31 December 2024, net of accumulated amortization	174	—	174
At 31 December 2024			
Cost	1,173	24	1,197
Accumulated amortization	(999)	(24)	(1,023)
Net carrying amount	174	—	174
31 December 2025			
At 1 January 2025:			
Cost	1,173	24	1,197
Accumulated amortization	(999)	(24)	(1,023)
Net carrying amount	174	—	174
Cost at 1 January 2025, net of accumulated amortization	174	—	174
Additions	43	—	43
Amortization during the year	(104)	—	(104)
At 31 December 2025, net of accumulated amortization	113	—	113
At 31 December 2025			
Cost	1,216	24	1,240
Accumulated amortization	(1,103)	(24)	(1,127)
Net carrying amount	113	—	113

16. INVESTMENTS IN SUBSIDIARIES

The Company

	31 December	31 December	31 December
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments, at cost	27,000	39,522	171,071
Impairment losses on investment in subsidiaries	(2,910)	(2,910)	(2,910)
Investments in subsidiaries	24,090	36,612	168,161

17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Other tax recoverable	19,894	36,488	49,001
Prepayments	8,120	25,320	35,376
Rebate receivables from suppliers	—	—	3,696
Deposits paid	2,122	7,397	4,314
Advances to employees	439	685	1,009
Due from a director	—	1,012	—
Deferred listing expenditures	—	—	3,207
Others	—	58	21
	30,575	70,960	96,624
Impairment allowance	(1,315)	(2,188)	(1,672)
	29,260	68,772	94,952
Non-current:			
Prepayments for acquisition of property and equipment	8,215	36,630	55,067
Total	37,475	105,402	150,019

The movements in the loss allowance for impairment of other receivables are as follows:

		Year ended 31 December	Year ended 31 December	Year ended 31 December
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
At beginning of year		1,175	1,315	2,188
Impairment losses, net	7	140	873	(516)
At end of year		1,315	2,188	1,672

An impairment analysis is performed at each reporting date by considering the expected credit losses which are estimated by applying a loss rate approach. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The Company

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Other tax recoverables	17,178	39,315	35,720
Prepayments	8,606	17,525	4,888
Due from subsidiaries*	—	—	539,438
Procurement rebate	—	—	—
Deposits paid	24	16	1,438
Advances to employees	439	656	—
Due from a director	—	1,012	—
Deferred listing expenditures	—	—	3,207
Others	—	58	21
	26,247	58,582	584,712
Impairment allowance	(509)	(574)	(24)
	25,738	58,008	584,688
Non-current:			
Prepayments for acquisition of property and equipment	8,516	36,931	1,651
Total	34,254	94,939	586,339

* The amount due from subsidiaries are trade in nature, unsecured, interest-free and repayable on demand. The amount due from a director bore interest at 3.24% per annum, was unsecured and had no fixed term of repayment.

18. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

	Impairment provision	Deferred income	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	—	855	855
Deferred tax credited/(charged) to the statement of profit or loss during the year	4	—	(453)	(449)
Gross deferred tax assets as at 31 December 2023 and 1 January 2024 . .	4	—	402	406
Deferred tax credited to the statement of profit or loss during the year	17	—	1,063	1,080
Gross deferred tax assets as at 31 December 2024 and 1 January 2025 . .	21	—	1,465	1,486
Deferred tax credited to the statement of profit or loss during the year	118	17	3,464	3,599
Gross deferred tax assets as at 31 December 2025	139	17	4,929	5,085

Deferred tax liabilities

	Financial assets at fair value through profit or loss	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	51	804	855
Deferred tax credited to the statement of profit or loss during the year	(47)	(402)	(449)
Gross deferred tax liabilities as at 31 December 2023 and 1 January 2024 . . .	4	402	406
Deferred tax (credited)/charged to the statement of profit or loss during the year .	(4)	1,084	1,080
Gross deferred tax liabilities as at 31 December 2024 and 1 January 2025 . . .	—	1,486	1,486
Deferred tax charged to the statement of profit or loss during the year	—	3,599	3,599
Gross deferred tax liabilities as at 31 December 2025	—	5,085	5,085

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position.

	31 December	31 December	31 December
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	—	—	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	—	—	—

The Group had tax losses arising in Chinese Mainland of RMB283,063,000, RMB344,047,000 and RMB445,170,000 as at 31 December 2023, 2024 and 2025, respectively, that would expire in one to ten years for offsetting against future taxable profits.

The Group had tax losses arising in Singapore of RMB1,528,000 as at 31 December 2025 that are available indefinitely for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses	283,063	344,047	446,698
Deductible temporary differences.	104,390	125,326	218,745
Total	387,453	469,373	665,443

Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and the subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	12,018	—	—

The Company

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	10,000	—	—

The wealth management products are purchased from creditworthy commercial banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Cash and cash equivalents	32,967	74,963	334,040
Time deposits	—	30,480	2,290
Pledged deposits	6,403	3,325	—
	39,370	108,768	336,330
Non-current:			
Time deposits	10,930	930	21,140
Total	50,300	109,698	357,470

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

At 31 December 2024 and 31 December 2025, time deposits were mature in three months to one year when acquired by the Group and earned interest at the time deposit rates.

At the end of the Relevant Periods, pledged deposits were pledged to banks for issuance of bank bills. The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Cash and cash equivalents	32,907	52,707	236,993
Time deposits	—	30,480	2,290
Pledged deposits	6,403	3,325	—
	39,310	86,512	239,283
Non-current:			
Time deposits	10,930	930	21,140
Total	50,240	87,442	260,423

21. TRADE AND BILLS RECEIVABLES

The Group

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	64,494	176,376	376,013
Impairment	(678)	(1,778)	(5,049)
Trade receivables, net	63,816	174,598	370,964
Bills receivable			
Commercial bills	—	90,980	—
Bank bills	—	9,455	67,721
	—	100,435	67,721
Trade and bills receivables	63,816	275,033	438,685

The Group's trading terms with its customers are mainly on credit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 85.1%, 96.0% and 91.7% of the Group's trade receivables were due from the Group's five largest customers, respectively. As at 31 December 2023, 2024 and 2025, respectively, the Group had certain concentrations of credit risk as 27.4%, 34.7% and 42.5% of the Group's trade receivables were due from the Group's largest customer, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of 31 December 2023, 2024 and 2025, based on the invoice date, is as follows:

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	64,483	176,314	371,606
1 to 2 years	2	51	4,357
2 to 3 years	9	2	50
Over 3 years	—	9	—
	64,494	176,376	376,013
Bills receivable	—	100,435	67,721
Total	64,494	276,811	443,734

The Group's bills receivable were all aged within six months and were neither past due nor impaired.

The movements in the loss allowance for impairment of trade receivables are as follows:

		31 December	31 December	31 December
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
At beginning of year		6,248	678	1,778
Impairment losses	7	—	1,100	3,271
Reversal of impairment losses	7	(5,570)	—	—
At end of year		678	1,778	5,049

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses
		RMB'000	RMB'000
Within 1 year	1%	64,483	672
1 to 2 years	50%	2	1
2 to 3 years	56%	9	5
Total		64,494	678

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ACCOUNTANTS' REPORT

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses
		<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1%	176,314	1,752
1 to 2 years	31%	51	16
2 to 3 years	50%	2	1
Over 3 years	100%	9	9
Total		176,376	1,778

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses
		<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1%	371,606	3,717
1 to 2 years	30%	4,357	1,307
2 to 3 years	50%	50	25
Total		376,013	5,049

The Company

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	64,494	192,422	827,436
Impairment	(678)	(1,683)	(1,833)
Trade receivables, net	63,816	190,739	825,603
Bills receivable			
Commercial bills	—	90,980	—
Bank bills	—	9,455	63,321
	—	100,435	63,321
Trade and bills receivables	63,816	291,174	888,924

An ageing analysis of the trade receivables as at the end of 31 December 2023, 2024 and 2025, based on the invoice date, is as follows:

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	64,483	192,360	823,029
1 to 2 years	2	51	4,357
2 to 3 years	9	2	50
Over 3 years	—	9	—
	64,494	192,422	827,436
Bills receivable	—	100,435	63,321
Total	64,494	292,857	890,757

The Company's bills receivable were all aged within six months and were neither past due nor impaired.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	6,248	678	1,683
Impairment losses	—	1,005	150
Reversal of impairment losses	(5,570)	—	—
At end of year	<u>678</u>	<u>1,683</u>	<u>1,833</u>

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses
		<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1%	64,483	672
1 to 2 years	50%	2	1
2 to 3 years	56%	9	5
Total		<u>64,494</u>	<u>678</u>

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses
		<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1%	165,683	1,657
1 to 2 years	31%	51	16
2 to 3 years	50%	2	1
Over 3 years	100%	9	9
		<u>165,745</u>	<u>1,683</u>
Due from subsidiaries		<u>26,677</u>	<u>—</u>
Total		<u>192,422</u>	<u>1,683</u>

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses
		<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1%	50,091	501
1 to 2 years	30%	4,357	1,307
2 to 3 years	50%	50	25
Over 3 years	100%	—	—
		54,498	1,833
Due from subsidiaries		772,938	—
Total		827,436	1,833

For the amounts due from subsidiaries, the Company's management considers that there is no significant increase in credit risk of these amounts since initial recognition and the Company provided impairment based on twelve months ECL. For the years ended 31 December 2023, 2024 and 2025, the Company assessed the impairment for ECL for amounts due from subsidiaries are insignificant and thus no loss allowance is recognized.

22. INVENTORIES

The Group

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	107,272	189,462	239,414
Work in progress	12,911	26,108	19,404
Finished goods	71,028	181,496	445,138
	191,211	397,066	703,956
Impairments	(64,871)	(72,475)	(86,968)
Total	126,340	324,591	616,988

The Company

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	107,272	189,462	1,086
Work in progress	12,911	26,108	—
Finished goods	71,028	181,496	620
	191,211	397,066	1,706
Impairments	(64,871)	(72,475)	(655)
Total	126,340	324,591	1,051

23. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2023

	Effective interest rate	Maturity Year	RMB'000
	%		
Current			
Bank loans — unsecured	3.10 to 3.85	2024	84,617
Bank loans — secured	3.55	2024	21,065
Current portion of non-current bank loans			
— unsecured	3.10	2024	2,187
Current portion of non-current bank loans — secured	4.40	2024	16,729
			<u>124,598</u>
Non-current			
Bank loans — unsecured	3.45 to 3.60	2025	17,470
Bank loans — secured	3.60 to 4.40	2025 to 2027	18,230
			<u>35,700</u>
Total			<u>160,298</u>
Analyzed into:			
Bank loans repayable:			
Within one year or on demand			124,598
In the second to fifth years, inclusive . . .			<u>35,700</u>
Total			<u>160,298</u>

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	Effective interest rate	Maturity Year	RMB'000
	%		
Current			
Bank loans — unsecured	2.80 to 3.55	2025	380,873
Bank loans — secured	3.55	2025	6,261
Current portion of non-current bank loans			
— unsecured	3.45 to 4.40	2025	32,872
Current portion of non-current bank loans			
— secured	2.80	2025	36
			<u>420,042</u>
Non-current			
Bank loans — unsecured	3.20 to 3.65	2026 to 2027	31,097
Bank loans — secured	2.30 to 4.40	2026 to 2027	72,512
			<u>103,609</u>
Total			<u><u>523,651</u></u>
Analyzed into:			
Bank loans repayable:			
Within one year or on demand			420,042
In the second to fifth years, inclusive			103,609
Total			<u><u>523,651</u></u>

As at 31 December 2025

	Effective interest rate	Maturity Year	RMB'000
	%		
Current			
Bank loans — unsecured	2.25 to 3.00	2026	581,253
Bank loans — secured	2.80	2026	40,034
Current portion of non-current bank loans			
— unsecured	3.20	2026	59,551
			<u>680,838</u>
Non-current			
Bank loans — unsecured	2.60 to 3.30	2027 to 2028	92,107
Bank loans — secured	2.70 to 2.80	2027 to 2029	55,548
			<u>147,655</u>
Total			<u><u>828,493</u></u>
Analyzed into:			
Bank loans repayable:			
Within one year or on demand			680,838
In the second to fifth years, inclusive			147,655
Total			<u><u>828,493</u></u>

The company

As at 31 December 2023

	Effective interest rate	Maturity Year	RMB'000
	%		
Current			
Bank loans — unsecured	3.10 to 3.85	2024	84,617
Bank loans — secured	3.55	2024	21,065
Current portion of non-current bank loans			
— unsecured	3.10	2024	2,187
			<u>107,869</u>
Non-current			
Bank loans — unsecured	4.40	2025	17,470
Bank loans — secured	3.80	2025	4,230
			<u>21,700</u>
Total			<u>129,569</u>
Analyzed into:			
Bank loans repayable:			
Within one year or on demand			107,869
In the second to fifth years, inclusive . . .			21,700
Total			<u>129,569</u>

As at 31 December 2024

	Effective interest rate	Maturity Year	RMB'000
	%		
Current			
Bank loans — unsecured	2.80 to 3.55	2025	380,872
Current portion of non-current bank loans			
— unsecured	3.45 to 4.40	2025	32,809
			<u>413,681</u>
Non-current			
Bank loans — unsecured	3.20 to 3.65	2026 to 2027	31,097
Bank loans — secured	2.30	2026	30,012
			<u>61,109</u>
Total			<u>474,790</u>
Analyzed into:			
Bank loans repayable:			
Within one year or on demand			413,681
In the second to fifth years, inclusive . . .			61,109
Total			<u>474,790</u>

As at 31 December 2025

	Effective interest rate	Maturity Year	RMB'000
	%		
Current			
Bank loans — unsecured.	2.25 to 3.00	2026	571,245
Current portion of non-current bank loans — unsecured.	3.20	2026	59,551
			<u>630,796</u>
Non-current			
Bank loans — unsecured.	2.60 to 3.30	2027 to 2028	92,107
Total			<u>722,903</u>
Analyzed into:			
Bank loans repayable:			
Within one year or on demand			630,796
In the second to fifth years, inclusive			92,107
Total			<u>722,903</u>

Note:

As at 31 December 2023, 2024, the Group's secured bank loans were pledged by the Group's land use rights amounting to RMB11,955,000 and RMB11,702,000, respectively. As at 31 December 2025, the Group's secured bank loans were secured by the Group's land use rights and construction in progress amounting to RMB11,449,000 and RMB63,729,000, respectively.

All borrowings are denominated in RMB.

24. TRADE AND BILLS PAYABLES

The Group

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	RMB'000	RMB'000
Within 1 years	55,575	192,413	326,951
1 to 2 years	1,110	354	981
2 to 3 years	133	862	53
Over 3 years	31	90	218
Total	<u>56,849</u>	<u>193,719</u>	<u>328,203</u>

The Company

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 years	55,049	192,022	304,430
1 to 2 years	1,110	354	1,223
2 to 3 years	133	862	2
Over 3 years	31	90	—
Total	56,323	193,328	305,655

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

25. OTHER PAYABLES AND ACCRUALS**The Group**

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Other payables for acquisition of property, plant and equipment	42,005	36,172	21,902
Payroll and welfare payable	6,247	10,271	15,931
Other tax payables	313	633	1,816
Accrued expenses for listing	—	—	7,647
Other payables*	3,259	10,110	3,233
Total	51,824	57,186	50,529

The Company

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Other payables for acquisition of property, plant and equipment	1,776	12,373	399
Payroll and welfare payable	6,246	9,859	—
Other tax payables	248	589	769
Due to subsidiaries*	—	—	77,944
Accrued expenses for listing	—	—	7,647
Other payables*	254	8,255	214
Total	8,524	31,076	86,973

* Other payables are non-interest-bearing, unsecured and have no fixed terms of settlement. The amounts due to subsidiaries are trade in nature, unsecured, interest-free and repayable on demand.

26. CONTRACT LIABILITIES**The Group**

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	—	4,997	2,417

The Company

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	—	3,783	1,079

27. DEFERRED INCOME**The Group**

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Asset-related grants	1,355	1,635	626
Non-current:			
Asset-related grants	2,231	6,995	7,376
Total	3,586	8,630	8,002

The Company

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Asset-related grants	1,355	1,635	626
Non-current:			
Asset-related grants	2,231	3,495	3,872
Total	3,586	5,130	4,498

28. PROVISION

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Warranties	801	2,375	2,985
Less: Current portion	488	1,671	1,252
	313	704	1,733

(a) Warranties

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	862	801	2,375
Addition	517	2,331	3,422
Amount utilized during the year	(578)	(757)	(2,812)
At end of year	801	2,375	2,985

29. SHARE CAPITAL**The Group and the Company**

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid: share capital	61,200	62,949	76,111

A summary of movements in the Company's share capital is as follows:

	Number of shares '000	Share capital <i>RMB'000</i>
At 1 January and 31 December 2023 and 1 January 2024	61,200	61,200
Issue of shares	1,749	1,749
At 31 December 2024 and 1 January 2025	62,949	62,949
Issue of shares	13,162	13,162
At 31 December 2025	76,111	76,111

During the year ended 31 December 2024, 1,748,571 shares of RMB1 each were issued for an aggregate cash consideration of RMB60,000,000, and RMB1,749,000 and RMB58,251,000, before shares issuance costs, were credited as capital and share premium.

During the year ended 31 December 2025, 13,161,974 shares of RMB1 each were issued for an aggregate cash consideration 460,000,000, and RMB13,162,000 and RMB446,838,000, before shares issuance costs, were credited as capital and share premium.

During the Relevant Periods, the Company entered into separate agreements with 26 investors (collectively the “**Pre-IPO Investors**”) and issued 48,559,313 ordinary shares for a total net cash proceed of approximately RMB787,139,000 (collectively the “**Pre-IPO Investments**”). Pursuant to the agreements, the Pre-IPO Investors were granted by the Company with special rights (“**Special Rights**”) which included redemption rights, anti-dilution rights and liquidation preference rights.

There was no exercise of Special Rights granted by the Company throughout the Relevant Periods.

On 23 October 2025, the Company and the Pre-IPO Investors entered into supplemental agreements that the redemption rights granted by the Company to Pre-IPO Investors have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the Company’s directors considered that it is appropriate to present the Pre-IPO Investments as equity.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at fair value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities at fair value through profit or loss	1,175,523	1,224,433	—
Total current liabilities	1,413,679	1,907,131	1,070,501
Net current (liabilities)/assets	(1,142,875)	(1,129,967)	416,454
Net (liabilities)/assets	(1,014,799)	(1,012,770)	585,747

and (ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and diluted loss per share would have been:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fair value losses on financial liabilities at fair value through profit or loss	44,359	48,910	16,257
Total net loss	(152,923)	(66,805)	(116,395)
Loss per share			
Basic and diluted (RMB)	(2.50)	(1.08)	(1.61)

30. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

The amounts of the Company's reserves and the movements therein are presented as below:

	Share premium	Share-based payment reserve	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	256,952	10,638	(66,538)	201,052
Loss for the year	—	—	(99,859)	(99,859)
Total comprehensive income for the year	—	—	(99,859)	(99,859)
Equity-settled share arrangements	—	9,437	—	9,437
As at 31 December 2023 and 1 January 2024	256,952	20,075	(166,397)	110,630
Loss for the year	—	—	(11,497)	(11,497)
Total comprehensive income for the year	—	—	(11,497)	(11,497)
Capital paid in	58,251	—	—	58,251
Equity-settled share arrangements	—	9,155	—	9,155
As at 31 December 2024 and 1 January 2025	315,203	29,230	(177,894)	166,539
Loss for the year	—	—	114,886	114,886
Total comprehensive income for the year	—	—	114,886	114,886
Capital paid in	446,838	—	—	446,838
Equity-settled share arrangements	—	19,060	—	19,060
Share issuance costs	(4,952)	—	—	(4,952)
As at 31 December 2025	<u>757,089</u>	<u>48,290</u>	<u>(63,008)</u>	<u>742,371</u>

31. SHARE-BASED PAYMENTS

Expenses arising from equity-settled share-based payment transactions were as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share incentive plan (a)	9,437	9,155	11,615
Share option plan (b)	—	—	7,445
Total	<u>9,437</u>	<u>9,155</u>	<u>19,060</u>

(a) Share incentive plan

To recognise the contributions of employees and incentivize them to further promote development of the Group, the Company set up a share incentive plan in 2015. Under this plan, the Company grants shares to employees who are required meet service conditions and the granted shares would be vested in a three-year period from the date of a successful initial public offering ("IPO") of the Company's shares. The Company's management has estimated the vesting period of the fulfilment of service condition and the share-based payment expenses are amortized during the vesting period.

The details of the shares granted under foregoing share incentive plan are summarised as follows:

	Number of shares	Shares subscription price
	'000	RMB per share
Granted prior to 31 December 2021	7,616	0.26 – 13.36
Granted during the year ended 31 December 2022	1,278	0.25 – 3.31
Granted during the year ended 31 December 2023	57	0.27 – 2.89
Granted during the year ended 31 December 2024	154	0.27 – 2.72
Granted during the year ended 31 December 2025	153	0.28

The prices of the granted shares on the grant dates have been determined by an independent professional valuer based on recent transaction prices with the Company's investors and by using discounted cash flow method.

The difference between the fair value of the shares granted and the subscription price was recognised in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in the profit or loss.

The movements of the outstanding granted shares during the Relevant Periods were as follows:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	'000	'000	'000
At beginning of year	7,616	7,616	7,616
Granted	57	154	153
Forfeited	(57)	(154)	(153)
At end of year	<u>7,616</u>	<u>7,616</u>	<u>7,616</u>

(b) Share option plan

On 23 October 2025, the Company's shares option plan (the "**Share Option Plan**") was approved in the shareholders' meeting of the Company. The eligible participants of the Share Option Plan were the directors, senior management, key staff and key management personnel of the Group who have a direct impact on or have made outstanding contributions to the Company's business results and ongoing development as a whole.

Under the Share Option Plan, the Company would grant a total of 3,000,000 Company's share options to the eligible participants. The eligible participants had the right to purchase every one Company's share at a price of RMB20.0. Pursuant to the Share Option Plan, each grant of the share option requires the eligible participant to meet service conditions from the date of grant to the later of (1) twelve months since the grant date (the "**Service Period**") and (2) the date of successful IPO of the Company's shares. 50% of the share options granted should be exercised within 12 months after the expiration of the vesting period and the remaining 50% share options granted should be exercised within the 12 to 24 months after the expiration of the vesting period. The share-based payment expenses are amortised during the vesting period.

Movements in the number of share options granted and their exercise prices are as below:

	Year ended 31 December 2025	
	Exercise price	Number of options
	<i>RMB per share</i>	<i>'000</i>
At the beginning of the year	—	—
Granted during the year	20	3,000
At the end of the year.		3,000

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options	Exercise price	Exercise period
<i>'000</i>	<i>RMB per share</i>	
1,500	20	23 October 2027 to 23 October 2028
1,500	20	23 October 2028 to 23 October 2029
3,000		

The fair value of share options granted was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following inputs are used for the model:

Dividend yield (%)	0.0
Expected volatility (%)	45.3–47.0
Risk-free interest rate (%)	1.5
Weighted average share price (<i>RMB per share</i>).	34.9

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2024 and the years ended 31 December 2025, the Group had non-cash additions to right-of-use assets of RMB9,893,000 and RMB19,553,000, and addition to lease liabilities of RMB9,893,000 and RMB19,553,000, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings	Lease liabilities	Other payables and accruals
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	82,406	5,935	—
Changes from financing cash flows	74,842	(3,095)	—
Interest expense	3,050	202	—
As at 31 December 2023 and 1 January 2024	160,298	3,042	—
Changes from financing cash flows	354,887	(3,521)	—
New leases	—	9,893	—
Interest expense	8,466	71	—
As at 31 December 2024 and 1 January 2025	523,651	9,485	—
Changes from financing cash flows	286,253	(5,938)	(1,987)
Changes from operating cash flows	—	—	(11,288)
Listing expenses accrual	—	—	20,922
New leases	—	19,553	—
Interest expense	18,589	537	—
As at 31 December 2025	828,493	23,637	7,647

33. PLEDGE OF ASSETS

Details of the Group's pledged assets, including the Group's bank deposits, are disclosed in notes 13, 14 and 20.

34. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	31 December	31 December	31 December
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for:			
Purchases of items of property, plant and equipment	11,126	10,861	36,923
Cooperation agreements with local government authorities or their industrial park management committees in Chinese mainland	193,696	181,693	456,495
Total	204,822	192,554	493,418

35. RELATED PARTY TRANSACTIONS**(a) Transactions with related parties**

The Group has the following transactions with related party:

	Year ended 31 December	Year ended 31 December	Year ended 31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr Zhaoyang Hu*			
Funds advanced by the Company on behalf of a shareholder	—	981	—
Interest	—	31	—
Total	—	1,012	—

* Mr. Zhaoyang Hu is a director and shareholder of the Company. The amount receivable from Mr. Zhaoyang Hu was unsecured, bore interest at 3.24% per annum and had no fixed terms of repayment.

(b) Outstanding balances with related parties

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-Trade related:			
Prepayments, other receivables and other assets	—	1,012	—
Impairment	—	(10)	—
Prepayments, other receivables and other assets, net	—	1,002	—

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and on terms negotiated between the Group and the respective related parties.

(c) Compensation of key management personnel of the Group

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plan)	4,404	5,001	4,599
Share-based compensation expenses	9,133	9,308	12,690
Total compensation for key management personnel	13,537	14,309	17,289

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
	RMB'000	RMB'000	RMB'000
Trade and bills receivables	—	63,816	63,816
Financial assets included in prepayments, other receivables and other assets	—	1,246	1,246
Financial assets at fair value through profit or loss	12,018	—	12,018
Time deposits	—	10,930	10,930
Pledged deposits	—	6,403	6,403
Cash and cash equivalents	—	32,967	32,967
Total	12,018	115,362	127,380

Financial liabilities

	Financial liabilities at amortized cost	Total
	RMB'000	RMB'000
Trade and bills payables	56,849	56,849
Financial liabilities included in other payables and accruals	3,259	3,259
Interest-bearing bank and other borrowings	160,298	160,298
Total	220,406	220,406

As at 31 December 2024

Financial assets

	Financial assets at amortized cost	Total
	RMB'000	RMB'000
Trade and bills receivables	275,033	275,033
Financial assets included in prepayments, other receivables and other assets	6,906	6,906
Time deposits	31,410	31,410
Pledged deposits	3,325	3,325
Cash and cash equivalents	74,963	74,963
Total	391,637	391,637

Financial liabilities

	Financial liabilities at amortized cost	Total
	RMB'000	RMB'000
Trade and bills payables	193,719	193,719
Financial liabilities included in other payables and accruals	10,110	10,110
Interest-bearing bank and other borrowings	523,651	523,651
Total	727,480	727,480

As at 31 December 2025*Financial assets*

	Financial assets at amortised cost	Total
	RMB'000	RMB'000
Trade and bills receivables	438,685	438,685
Financial assets included in prepayments, other receivables and other assets	7,368	7,368
Time deposits	23,430	23,430
Cash and cash equivalents	334,040	334,040
Total	803,523	803,523

Financial liabilities

	Financial liabilities at amortized cost	Total
	RMB'000	RMB'000
Trade and bills payables	328,203	328,203
Financial liabilities included in other payables and accruals	32,782	32,782
Interest-bearing bank and other borrowings	828,493	828,493
Total	1,189,478	1,189,478

Details of the Pre-IPO Investments are set out in note 29 to the Historical Financial Information.

37. TRANSFERS OF FINANCIAL ASSETS**Transferred financial assets that were derecognised entirety**

During the Relevant Periods, the Group endorsed certain bills receivable accepted by banks or customers in Chinese Mainland (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB16,950,000, RMB2,159,000 and RMB3,704,000 as at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity ranging from 1 to 12 months at the end of each Relevant Period. In accordance with the Law of Negotiable Instruments of Chinese Mainland, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons/entities who are liable for the Derecognised Bills, including the Group, regardless of the order of precedence (the “**Continuing Involvement**”). In the opinion of the Company’s directors, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, the Group has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The

maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is their carrying amounts. In the opinion of the Company's directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

Transferred financial assets that are not derecognised in their entirety

During the Relevant Periods, the Group endorsed certain bills receivable accepted by banks or customers in Chinese mainland (the “**Endorsed Bills**”). In the opinion of the Company's directors, the Group has retained substantially the risks and rewards, which include the default risks relating to those Endorsed Bills, and accordingly, the Group continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group has not retained any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills as at 31 December 2023, 2024 and 2025 to which the suppliers have recourse were nil, RMB100,435,000 and RMB67,721,000, respectively.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, current portion of interest-bearing bank and other borrowings, trade and bills payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of wealth management products by using discounted cash flow valuation models with reference to observable inputs including fluctuations of market prices or rates.

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk as at the end of each of the Relevant Periods were assessed to be insignificant. The fair values of the non-current portion of interest-bearing bank and other borrowings approximate to their carrying amounts.

The changes in fair values as a result of the Group for bills receivable at fair value through other comprehensive income as at 31 December 2025 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at fair value through profit or loss	—	12,018	—	12,018

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include interest-bearing bank and other borrowings, cash and cash equivalents, and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.3 to the Historical Financial Information.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings) and the Group's equity.

APPENDIX I

ACCOUNTANTS' REPORT

	Increase/(decrease) in basis points	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
		<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2023			
RMB	50	800	665
RMB	(50)	(800)	(665)
Year ended 31 December 2024			
RMB	50	2,616	2,202
RMB	(50)	(2,616)	(2,202)
Year ended 31 December 2025			
RMB	50	3,853	3,239
RMB	(50)	(3,853)	(3,239)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group adopts the method of purchasing forward foreign exchange contracts to maintain the principle of exchange rate neutrality.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in USD exchange rate, with all other variables held constant, of the Group's loss before tax and the Group's equity.

	Increase/(decrease) in foreign currency/RMB	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
	<i>rate %</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2023			
If RMB weakens against USD	5	(1,056)	(1,056)
If RMB strengthens against USD	(5)	1,056	1,056
Year ended 31 December 2024			
If RMB weakens against USD	5	1,409	1,409
If RMB strengthens against USD	(5)	(1,409)	(1,409)
Year ended 31 December 2025			
If RMB weakens against USD	5	1,010	1,010
If RMB strengthens against USD	(5)	(1,010)	(1,010)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2023, 2024 and 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	64,494	64,494
Financial assets included in prepayments, other receivables and other assets					
— Normal**	443	2,118	—	—	2,561
Cash and cash equivalents					
— Not yet past due	32,967	—	—	—	32,967
Time deposits	—	—	—	—	—
Pledged deposits	6,403	—	—	—	6,403
Total	39,813	2,118	—	64,494	106,425

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	176,376	176,376
Bills receivable	—	—	—	100,435	100,435
Financial assets included in prepayments, other receivables and other assets					
— Normal**	6,975	2,119	—	—	9,094
Cash and cash equivalents					
— Not yet past due	74,963	—	—	—	74,963
Time deposits	30,480	—	—	—	30,480
Pledged deposits	3,325	—	—	—	3,325
Total	115,743	2,119	—	276,811	394,673

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	376,013	376,013
Bills receivable	—	—	—	67,721	67,721
Financial assets included in prepayments, other receivables and other assets					
— Normal**	2,701	2,622	—	—	5,323
Cash and cash equivalents					
— Not yet past due	334,040	—	—	—	334,040
Time deposits	23,430	—	—	—	23,430
Total	360,171	2,622	—	443,734	806,527

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is set out in notes 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets are considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 21 to the Historical Financial Information.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance for continuity of funding to finance its working capital needs as well as capital expenditure.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2023			
	Within one year	1 to 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	56,849	—	56,849
Financial liabilities included in other			
payables and accruals	3,259	—	3,259
Interest-bearing bank and other borrowings . .	114,403	51,573	165,976
Lease liabilities	3,105	—	3,105
Total	177,616	51,573	229,189
31 December 2024			
	Within one year	1 to 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	193,719	—	193,719
Financial liabilities included in other			
payables and accruals	10,110	—	10,110
Interest-bearing bank and other borrowings . .	428,383	108,610	536,993
Lease liabilities	3,553	6,395	9,948
Total	635,765	115,005	750,770
31 December 2025			
	Within one year	1 to 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	328,203	—	328,203
Financial liabilities included in other			
payables and accruals	32,782	—	32,782
Interest-bearing bank and other borrowings . .	690,866	156,732	847,598
Lease liabilities	7,340	18,644	25,984
Total	1,059,191	175,376	1,234,567

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023, 2024 and 2025.

The Group monitors capital using an asset-liability ratio, which is total liabilities divided by total assets. The asset-liability ratios as at the end of the reporting periods were as follows:

	31 December	31 December	31 December
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total assets	437,124	1,011,864	1,830,013
Total liabilities	276,400	800,201	1,244,266
Asset-liability ratio	63%	79%	68%

40. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to 31 December 2025.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's Reporting Accountants, as set out in Appendix I to this prospectus, and is included herein for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. ILLUSTRATION UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as of 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of 31 December 2025 or any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2025	
	RMB'000 (note 1)	RMB'000 (note 2)	RMB'000 (note 3)	RMB (note 3)	HK\$ (note 4)
Based on an Offer Price of					
HK\$114.00 per Share	585,634	1,249,725	1,835,359	20.50	23.55

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 are based on consolidated net assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately RMB585.7 million, after deducting intangible assets of the Group as at 31 December 2025 of approximately RMB0.1 million as shown in the Accountants' Report set out in Appendix I to this prospectus.
2. The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$114.00 per share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.0 to RMB0.8705.
3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share are arrived at after adjustments referred to in the preceding paragraphs and on the basis that 89,542,045 shares are in issue, assuming that the Global Offering had been completed on 31 December 2025, without taking into account of any shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.
4. For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at an exchange rate of HK\$1 to RMB0.8705. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate.
5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions for the Group entered into subsequent to 31 December 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Reporting Accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the Directors of Crealights Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Crealights Technology Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2025, and related notes as set out on pages II-1 to II-2 of the prospectus dated 18 June 2026 (the “**Prospectus**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position, has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

18 June 2026

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains in respect of H Shares is governed by the laws and practices of the People's Republic of China (the “**PRC**”) and the jurisdictions in which holders of H Shares are resident or otherwise subject to taxation. The following summary of certain relevant tax provisions is based on laws and practices in effect as of the date of this Prospectus and is not intended to address all potential tax consequences that may apply to any particular investor. This summary does not purport to be comprehensive and may be subject to change, possibly with retrospective effect. No representation or warranty is made as to the future tax treatment of an investment in H Shares. Prospective investors should consult their own tax advisors regarding the tax consequences of acquiring, holding and disposing of H Shares.

PRC TAXATION**Taxation on Dividends***Individual Investors*

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) (“**IIT Law**”) and its implementing regulations, as most recently amended and effective on January 1, 2019, dividends paid by PRC enterprises are generally subject to IIT at a flat rate of 20%.

Pursuant to the “Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies” (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) (Caishui [2015] No. 101), issued and partially abolished by the Ministry of Finance (“**MOF**”), the State Administration of Taxation (“**SAT**”) and CSRC, which became effective on September 8, 2015, differentiated IIT treatment applies to dividends received from listed companies:

- Dividends derived from shares acquired through public offerings or the secondary market and held for more than one year are exempt from IIT.
- Dividends from shares held for one month or less are fully included in taxable income.
- Dividends from shares held for more than one month but not more than one year are included in taxable income at 50% of the dividend amount.
- The applicable IIT rate on such dividend income is 20%.

Non-PRC resident individuals receiving dividends from PRC enterprises are generally subject to IIT at 20%, unless exempted by the State Council or a lower rate applies under an applicable tax treaty.

Pursuant to the “Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Tax Evasion on Income” (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “**Mainland-Hong Kong Arrangement**”), dividends paid by a PRC resident enterprise to Hong Kong residents (including individuals and entities) are generally subject to a withholding tax rate not exceeding 10%. If the Hong Kong resident beneficially owns at least 25% of the equity interest of the paying enterprise, the withholding tax rate shall not exceed 5%. The Fifth Protocol to the Mainland-Hong Kong Arrangement, effective December 6, 2019, introduced a principal purpose test for entitlement to treaty benefits.

Enterprise Investors

Under the “PRC Enterprise Income Tax Law” (《中華人民共和國企業所得稅法》) (“**EIT Law**”), as amended, and its implementing rules, the standard EIT rate is 25%. A non-resident enterprise without an establishment or place of business in the PRC, or whose PRC-sourced income is not effectively connected with such establishment, is generally subject to a 10% withholding EIT on China-sourced income, including dividends from PRC resident enterprises.

Pursuant to the “Notice on Issues Concerning the Withholding and Payment of Enterprise Income Tax on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares” (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guoshuihan [2008] No. 897) and the Reply on Issues Concerning the Imposition of Enterprise Income Tax on Dividends Derived by Non-Resident Enterprises from Shares such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批復》) (Guoshuhan [2009] No. 394), a PRC resident enterprise is required to withhold EIT at a rate of 10% on dividends distributed to non-resident enterprise shareholders in respect of H Shares. This rate may be reduced under an applicable tax treaty or arrangement. Under the Mainland-Hong Kong Arrangement, dividends paid to Hong Kong residents are subject to the reduced withholding rates noted above, subject to satisfying the relevant conditions and the principal purpose test under the Fifth Protocol.

Tax Treaties

Non-resident investors residing in jurisdictions that have entered into tax treaties or arrangements with the PRC for the avoidance of double taxation may be eligible for a reduced EIT rate on dividends received from PRC companies. Such investors are required to apply to the PRC tax authorities for a refund of any excess tax withheld. The PRC has entered into comprehensive double taxation agreements with numerous jurisdictions, including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Taxation on Share Transfer*Individual Investors*

Under the IIT Law and its implementing regulations, gains from the transfer of equity interests in PRC resident enterprises are generally subject to IIT at 20%. However, pursuant to the Notice on Continuing the Temporary Exemption from Individual Income Tax on Income from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Caishuizi [1998] No. 61), income derived by individuals from the transfer of listed shares has been temporarily exempt from IIT since January 1, 1997.

The Notice on Issues Concerning the Imposition of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Caishui [2009] No. 167), effective January 1, 2010, and the subsequent Announcement on Further Improving the Administration of Individual Income Tax on the Transfer of Restricted Shares of Listed Companies by Individuals (《關於進一步完善個人轉讓上市公司限售股所得個人所得稅有關徵管服務事項的公告》) (Caishui [2024] No. 59), effective December 27, 2024, provide that income from the transfer of shares acquired in a public offering or on the secondary market continues to be exempt from IIT.

As of the Latest Practicable Date, the PRC tax authorities have not, in practice, imposed IIT on gains derived by non-PRC resident individuals from the transfer of overseas-listed shares of PRC resident enterprises. However, no assurance can be given that this practice will not change in the future.

Enterprise Investors

A non-resident enterprise without an establishment or place of business in the PRC, or whose PRC-sourced income is not effectively connected with such establishment, is generally subject to EIT at 10% on gains from the transfer of equity interests in a PRC resident enterprise. Such tax is generally withheld at source. Reductions or exemptions may be available under applicable tax treaties.

SHANGHAI-HONG KONG AND SHENZHEN-HONG KONG STOCK CONNECT TAXATION POLICIES

Pursuant to the Circular on Relevant Taxation Policies regarding the Pilot Shanghai-Hong Kong Stock Connect Program (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2014] No. 81) and the Circular on Relevant Taxation Policies regarding the Pilot Shenzhen-Hong Kong Stock Connect Program (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2016] No. 127):

- PRC enterprise investors deriving gains from price differences or dividends from investments in Hong Kong-listed shares through Stock Connect shall include such income in their taxable income and pay EIT accordingly. Dividends received by PRC resident enterprises that have held the relevant H Shares for at least 12 consecutive months are exempt from EIT. H-share companies do not withhold tax on dividends paid to PRC enterprise investors, who are responsible for declaring and paying the tax.
- For PRC individual investors, H-share companies are required to withhold IIT at 20% on dividends received through Stock Connect, based on shareholder registers provided by China Securities Depository and Clearing Corporation Limited (“CSDC”). Investors may claim foreign tax credits with valid documentation.
- The Announcement on Continuing the Implementation of Individual Income Tax Policies Relating to Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect and Mainland-Hong Kong Fund Mutual Recognition (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) (Announcement No. 23 [2023] of the MoF, STA and CSRC) extends the temporary exemption from IIT for gains from price differences and trading of Hong Kong fund units through mutual recognition until December 31, 2027.

STAMP DUTY

Under the “PRC Stamp Tax Law”, effective July 1, 2022, stamp duty is generally applicable to taxable documents executed within the PRC or to documents executed outside the PRC but used within the PRC. The transfer of H Shares by non-PRC investors outside the PRC is not subject to PRC stamp duty.

ESTATE DUTY

As of the Latest Practicable Date, no estate duty is levied under PRC law.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC**Enterprise Income Tax**

We are a PRC resident enterprise and are subject to EIT on our worldwide income. The standard EIT rate is 25%. Enterprises qualified as high and new technology enterprises under the relevant administrative measures may enjoy a preferential EIT rate of 15%. The qualification is valid for three years and is subject to renewal.

Value-Added Tax

Under the “Provisional Regulations on Value-added Tax” (《中華人民共和國增值稅暫行條例》) and its implementing rules, VAT is levied on the sale of goods, provision of services, intangible assets, real estate and import of goods within the PRC. The applicable VAT rates are 13%, 9%, 6% and 0%, depending on the category of goods or services. The “Value-added Tax Law of the PRC” (《中華人民共和國增值稅法》) was promulgated on December 25, 2024, and will take effect on January 1, 2026, repealing the current interim regulations.

FOREIGN EXCHANGE

The Renminbi is the lawful currency of the PRC and is subject to foreign exchange control. The State Administration of Foreign Exchange (“SAFE”), under the authorisation of the People’s Bank of China (“PBOC”), administers foreign exchange matters.

The “Regulation of the PRC on Foreign Exchange Administration” (《中華人民共和國外匯管理條例》), as latest amended on August 5, 2008, distinguish between current account and capital account transactions. Current account transactions are subject to verification of authenticity by financial institutions. Capital account transactions, including foreign direct investment, require registration with SAFE. Foreign exchange under capital accounts must be used for approved purposes.

The People’s Bank of China issued the “Announcement on Reforming the RMB Exchange Rate Regime” (《關於完善人民幣匯率形成機制改革的公告》) on July 21, 2005, and since then, the PRC has implemented a managed floating exchange rate regime based on market supply and demand with reference to a basket of currencies. PRC enterprises may make current account foreign exchange payments through designated foreign exchange banks upon presentation of valid supporting documents. Foreign-invested enterprises may remit profits abroad upon presentation of board or shareholder resolutions.

Approval from SAFE for the remittance of proceeds from overseas listings into domestic RMB accounts was abolished pursuant to the “State Council’s Decision on Canceling and Adjusting a Batch of Administrative Approval Items” (《國務院關於取消和調整一批行政審批項目等事項的決定》) issued on October 23, 2014.

Pursuant to the “Notice on Issues Concerning Foreign Exchange Control in Relation to Overseas Listings” (《關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), effective December 26, 2014, domestic companies must register their overseas listings with the local SAFE branch within 15 business days after the issuance. Proceeds may be remitted to domestic accounts or retained overseas, and must be used in accordance with the prospectus.

The “Circular on Further Simplifying and Improving Foreign Exchange Administration for Direct Investment” (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13), as amended, delegates foreign exchange registration for direct investments to banks.

The “Notice on Reforming and Regulating the Administration of Foreign Exchange Settlement under the Capital Account” (《關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16), as amended, allows discretionary foreign exchange settlement for capital account funds.

The “Notice on Further Promoting Foreign Exchange Management Reform and Improving the Verification of Authenticity and Compliance” (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3), issued on January 26, 2017, expanded the scope of foreign exchange settlement and allowed domestic use of funds from foreign loans.

The “Notice on Further Facilitating Cross-Border Trade and Investment” (《關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), as amended, removed certain restrictions on the use of foreign exchange funds and allowed eligible enterprises to use capital account revenues for domestic payments without item-by-item verification.

HONG KONG TAXATION

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Taxes for Securities Holders

The income tax and the capital gains tax for holders of H Shares shall be subject to the laws and practices of PRC and the jurisdictions in which the holders of H Shares are residents or subject to taxes for other reasons. The following summary of relevant tax provisions is based on current laws and practices, and does not take into account anticipated changes in or amendments to the relevant laws and policies or constitute any opinions or suggestions. The discussion does not address all of the possible tax consequences associated with H-Shares, nor does it take into account the particular circumstances of any individual investor, some of which may be subject to special rules. Accordingly, you should consult your own tax adviser as to the tax implications of the H Shares. The discussion is based on the laws and the relevant interpretations in force as of the Latest Practicable Date. All the laws and relevant interpretations are subject to changes and may have retrospective effect.

The discussion does not address any PRC tax issues other than income tax, capital gains tax, value-added tax, stamp duty and estate duty. Prospective investors should consult their tax advisors regarding the Chinese and other tax implications of holding and disposing of H-shares.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This appendix summarizes certain aspects of the laws and regulations of the People's Republic of China ("PRC") relevant to the Company's business operations. Taxation-related laws and regulations are addressed separately in "Taxation and Foreign Exchange" in Appendix III. This appendix also includes a summary of key provisions under the PRC Company Law. The primary objective is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to the Company. This summary does not purport to be exhaustive. For further details, refer to "Regulatory Overview".

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the "Constitution"), and comprises written laws, administrative regulations, local regulations, departmental rules, local government rules, autonomous regulations, special administrative region laws, international treaties, and other regulatory documents. Court decisions are not binding precedents but serve as judicial references.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "Legislation Law"), which was amended by the NPC on March 13, 2023 and became effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council, as the highest state administrative organ, formulates administrative regulations. Local people's congresses and their standing committees at various levels may enact local regulations based on their specific circumstances and actual needs, provided these do not contravene the Constitution, laws, or administrative regulations.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul inappropriate laws enacted by the SCNPC. The SCNPC may annul administrative regulations, local regulations, autonomous regulations, and separate regulations that contravene the Constitution or laws. The State Council may alter or annul inappropriate ministerial and local government rules. Corresponding local people's congresses and governments have similar powers regarding regulations and rules under their jurisdiction.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the Supreme People's Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of the People's Courts of PRC (《中華人民共和國人民法院組織法》) amended by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the PRC People's Court is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

According to the Constitution and the Organic Law of the People's procuratorates of PRC (《中華人民共和國人民檢察院組織法》) revised by SCNPC on October 26, 2018 and taking effect on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The PRC Civil Procedure Law (revised September 1, 2023, effective January 1, 2024) governs civil actions, including jurisdiction, procedures, and enforcement. Jurisdiction generally lies with the court where the defendant is located, but parties may agree in writing on a court connected to the dispute, subject to statutory restrictions on jurisdiction.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法(2023年修訂)》) (the “**PRC Civil Procedure Law**”), adopted by the SCNPC on September 1, 2023 and effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

Foreign parties have equivalent litigation rights and obligations. If a foreign court restricts the litigation rights of PRC entities, reciprocal restrictions may apply. Foreign parties must engage PRC lawyers for litigation in PRC courts. International judicial assistance is available based on treaties or reciprocity, unless it violates PRC sovereignty, security, or public interest.

Legally effective civil judgments and arbitral awards must be complied with. Enforcement must be applied for within two years. Foreign judgments may be recognized and enforced by PRC courts based on international treaties or the principle of reciprocity, subject to exceptions including violation of basic legal principles, sovereignty, security, or public interest.

THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited is mainly subject to the following laws and regulations of the PRC.

The PRC Company Law, was adopted by the Fifth Standing Committee Meeting of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest revised PRC Company Law came into effect on July 1, 2024.

The Trial Measures and the Filing Rules promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

According to the Trial Measures and its interpretative guidelines, where a domestic company directly offers and list overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”), in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) which ceased to apply from March 31, 2023. The Guidelines for Articles of Association were promulgated by the CSRC on December 16, 1997 and last amended on March 28, 2025.

Set out below is a summary of the major provisions of the PRC Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

“A joint stock limited company” means a corporate legal person incorporated under the PRC Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A company may be established by promotion or share offering, by 1 to 200 promoters, at least half of whom must reside in the PRC. An inaugural meeting must be convened within 30 days after capital contribution, requiring attendance by promoters and subscribers representing over 50% of shares. Resolutions require approval by subscribers holding over 50% of the voting rights present. The company is formally established upon issuance of a business license after application by the Board of Directors.

Registered Shares

Capital contributions can be in cash or legally transferable non-monetary property. Overseas-listed domestic enterprises may raise funds and distribute dividends in foreign currencies or Renminbi. A company must maintain a shareholder register.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issuing and listing overseas shall file with the CSRC in accordance with Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the PRC Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the Shareholders' Meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the prospectus.

Reduction of Share Capital

Procedures include: preparing a balance sheet and asset list; shareholders' meeting resolution; notifying creditors within 10 days and making an announcement within 30 days; handling creditor claims; and registering changes with the company registration authority. Capital reduction is typically proportional to shareholdings.

Repurchase of Shares

Under the PRC Company Law, a company shall not purchase its own shares. Except for the following circumstances:

- (i) reducing the registered capital;
- (ii) merging with other company that holds the shares of the company;
- (iii) using the shares for employee stocks plan or equity incentives;
- (iv) with respect to shareholders voting against any resolution adopted at the Shareholders' Meeting on the merger or division of the company, the right to demand the company to acquire the shares held by them;
- (v) using the shares for the conversion of convertible corporate bonds issued by the company;
- (vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the Board of Directors meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share held accumulatively by the company shall not exceed 10% of the total issued shares of a company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the PRC Company Law, a shareholder should affect a transfer of his shares on an established securities exchange according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of shareholder's meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the PRC Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of a company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

Shareholders

Under the PRC Company Law and Guidelines for Articles of Association the rights of a shareholder of a company include:

- (i) to receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) to legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the Shareholders' Meeting and exercise corresponding voting rights;
- (iii) to supervise business operations of the company, provide suggestions or submit queries;
- (iv) to transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

- (v) to read and copy the Articles of Association, the register of Shareholders, Shareholders' Meeting minutes, resolutions of meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee and financial and accounting reports;
- (vi) shareholders who hold more than 3% of the company's shares individually or collectively for more than 180 consecutive days may inspect the company's accounting books and accounting vouchers as required by laws;
- (vii) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon our termination or liquidation;
- (viii) to require the company to acquire the shares from Shareholders voting against any resolutions adopted at the Shareholders' Meeting concerning the merger and division of the Company;
- (ix) other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where the company's shares are listed, or the Articles of Association.

The obligations of a shareholder of a company include:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to provide Share capital according to the Shares subscribed for and Share participation methods;
- (iii) not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- (v) to perform other duties prescribed in laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed.

Shareholders' Meetings

Under the PRC Company Law, the Shareholders' Meeting of a joint stock limited company is made up of all shareholders. The Shareholders' Meeting is the organ of authority of a company, which exercises the following functions and powers:

- (i) electing and replacing directors and supervisors and deciding on their remunerations;
- (ii) deliberating on and approving the reports of the Board of Directors;
- (iii) deliberating on and approving the reports of the Supervisory Committee;
- (iv) deliberating on and approving the plans for profit distribution and making up losses of the company;
- (v) making resolutions on the increase or decrease of the registered capital of the company;
- (vi) making resolutions on the issuance of corporate bonds;

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- (vii) making resolutions on the merger, division, dissolution, liquidation or change of corporate form of the company;
- (viii) amending the articles of association; and
- (ix) other functions and powers as prescribed in the articles of association.

Under the PRC Company Law, annual Shareholders' Meetings are required to be held once every year. An extraordinary Shareholders' Meeting is required to be held within two months after the occurrence of any of the following circumstances:

- (i) the number of directors is less than the number stipulated in the PRC Company Law or less than two-thirds of the number specified in the articles of association;
- (ii) when the unrecovered losses of a company amount to one-third of the share capital;
- (iii) shareholders individually or jointly holding 10% or more of the company's shares request;
- (iv) when deemed necessary by the Board of Directors;
- (v) the Supervisory Committee proposes to convene the meeting;
- (vi) other circumstances as stipulated in the articles of association.

Shareholders' Meeting shall be convened by the Board of Directors, and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the Board of Directors is incapable of performing or is not performing its duties to convene the Shareholders' Meeting, the Supervisory Committee should convene and preside over Shareholders' Meeting in a timely manner. If the Supervisory Committee fails to convene and preside over Shareholders' Meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over Shareholders' Meeting.

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an interim Shareholders' Meeting, the Board of Directors and the Supervisory Committee should, within 10 days after the receipt of such request, decide whether to hold an interim Shareholders' Meeting and reply to the shareholders in writing.

Notice of meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before Shareholders' Meeting. The convener shall issue a supplementary notice of Shareholders' Meeting within two days after receiving the proposal and announce the contents of the interim proposal.

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Under the PRC Company Law, a shareholder may entrust a proxy to attend a Shareholders' Meeting, and it should clarify the matters, powers and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a Shareholders' Meeting.

Under the PRC Company Law, shareholders present at a Shareholders' Meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the Shareholders' Meeting in accordance with the provisions of the articles of association or the resolutions of the Shareholders' Meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the Shareholders' Meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the PRC Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the Shareholders' Meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the PRC Company Law, a joint stock limited company should have a Board of Directors, but a company with a small scale or a small number of shareholders can not have a Board of Directors. A Board of Directors should consist of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the Board of Directors shall be convened at least twice a year. All directors and supervisors shall be noticed 10 days before the meeting for every meeting. The Board of Directors exercises the following functions and powers:

- (i) to convene Shareholders' Meeting and report its work to the Shareholders' Meeting;
- (ii) to implement the resolutions of the Shareholders' Meeting;
- (iii) to decide on a company's business plans and investment plans;
- (iv) to formulate a company's profit distribution plan and loss recovery plan;
- (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds;
- (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company;
- (vii) to decide on the internal management structure of a company;

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- (viii) to decide on the appointment or dismissal of the manager of a company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration;
- (ix) to formulate a company's basic management system;
- (x) other functions and powers specified in the articles of association or granted by the Shareholders' Meeting.

Board of Directors meetings shall be held only if more than half of the directors are present. If a director is unable to attend a Board of Directors meeting, he may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the Board of Directors violates the laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the PRC Company Law, a person may not serve as a director of a company if he/she is:

- (i) a person without capacity or with restricted capacity;
- (ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;
- (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (iv) persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and
- (v) being listed as one of "dishonest persons subject to enforcement" by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The Board of Directors shall have one chairman, who shall be elected by more than half of all the directors. The chairman shall exercise the following functions and powers (including but not limited to):

- (i) to preside over Shareholders' Meetings and convene and preside over Board of Directors meetings;
- (ii) to examine the implementation of resolutions of the Board of Directors;
- (iii) to exercise other powers conferred by the Board of Directors.

Supervisors

A joint stock limited company shall have a Supervisory Committee comprising at least three members, including shareholder representatives and no less than one-third employee representatives. Alternatively, an audit committee of the board of directors may exercise supervisory powers, dispensing with the board of supervisors.

Managers and Senior Management

The manager is appointed/dismissed by the Board of Directors and is responsible to it. Senior management includes the manager, deputy manager(s), financial controller, board secretary of a listed company, and others specified in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful incomes and from misappropriating the company's properties.

Directors, supervisors and senior management are prohibited from:

- (i) embezzling the company's property or misappropriating the company's capital;
- (ii) depositing the company's capital into accounts under his own name or the name of other individuals;
- (iii) giving bribes or accepting any other illegal proceeds by taking advantage of their power;
- (iv) accepting and possessing commissions paid by a third party for transactions conducted with the company;
- (v) unauthorized divulgence of confidential business information of the company; or
- (vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the company, he/she should report the matters relating to the conclusion of the contract or transaction to the Board of Directors or Shareholders' Meeting, subject to the approval of the Board of Directors or shareholders according to the articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors, supervisors or senior management, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management, concludes a contract or conducts a transaction with the company.

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Neither director, supervisor nor senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

- (i) where he/she has reported to the Board of Directors or the Shareholders' Meeting and has been approved by a resolution of the Board of Directors or the Shareholders' Meeting according to the Articles of Association; or
- (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association.

Where any director, supervisor or senior management fails to report to the Board of Directors or the Shareholders' Meeting and obtain an approval by resolution of the Board of Directors or the Shareholders' Meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Companies must establish financial and accounting systems according to law. Annual financial reports must be audited. Financial reports of joint stock limited companies must be made available for shareholder inspection 20 days before the annual shareholders' meeting. Publicly offered companies must publish their financial reports.

After-tax profit allocation: 10% must be allocated to the statutory reserve until it reaches 50% of registered capital. Profits cover prior years' losses before allocation. Discretionary reserves may be allocated thereafter. Profit distribution is generally proportional to shareholdings.

The capital reserve fund includes share issuance premiums and other specified incomes. Reserves are used to cover losses, expand operations, or increase capital. Capital conversion of the statutory reserve requires the remaining balance to be not less than 25% of the pre-conversion registered capital.

Companies are prohibited from keeping off-the-book accounts.

Appointment and Dismissal of Accounting Firms

Pursuant to the PRC Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a Shareholders' Meeting, the Board of Directors or the Supervisory Committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the meeting, the Board of Directors or the Supervisory Committee conduct a vote on the dismissal of the accounting firm.

The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The Guidelines for Articles of Association provides that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the meeting of shareholders.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders, directors, supervisors, and senior management personnel who are responsible for causing losses to the company shall bear compensation liability.

Dissolution and Liquidation

According to the PRC Company Law, a company shall be dissolved for the following reasons:

- (i) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (ii) dissolution by a resolution of the shareholders' meeting;
- (iii) dissolution is necessary due to a merger or division of the company;
- (iv) the business license is revoked, or the business license is ordered to be closed or revoked in accordance with laws;
- (v) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to a people's court for the dissolution of the company with the support of the judgment.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i), (ii) above and has not yet distributed property to shareholders, it may carry on its existence by amending its articles of association or upon a resolution of the Shareholders' Meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the Shareholders' Meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the Shareholders' Meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (i) to liquidate the company's property and respectively prepare balance sheet and list of property;
- (ii) to notify creditors by notice or public announcement;
- (iii) to deal with the outstanding business of the company involved in the liquidation;
- (iv) to pay all outstanding taxes and taxes arising in the course of liquidation;
- (v) to liquidate claims and debts;
- (vi) distributing the remaining property of the company after paying off debts;
- (vii) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company's creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation committee, having thoroughly examined the company's assets and having prepared a balance sheet and an inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the Shareholders' Meeting or the people's court for confirmation, and submit to the company registration authority to apply for cancellation of the company's registration.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

APPENDIX IV PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Suspension and Termination of Listing

The PRC Company Law and Securities Law have deleted specific provisions; stock exchanges delist securities according to their business rules. Under the Trial Measures, issuers must report termination of listing to the CSRC within 3 working days after its occurrence and announcement.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. In April 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations for the Administration of Issuing and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on December 25, 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law (《中華人民共和國仲裁法》) (amended September 1, 2017, effective January 1, 2018) governs arbitration of foreign-related economic disputes based on written arbitration agreements. Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement according to the PRC Civil Procedure Law. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). A party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港 特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by PRC arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

This appendix contains a summary of the main provisions of the Articles of Association approved on October 23, 2025, which will take effect on the date of Listing of H shares on the Stock Exchange. This main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, and therefore may not contain all the information that is important for potential investors.

General Provisions

The Company is a joint stock limited liability company in perpetual existence.

The Articles of Association shall become a legally binding document regulating the Company's organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders, and are binding on the Company and its shareholders, directors, supervisors and senior management.

Shares and Transfer of Shares

Shares of the Company shall be issued in a fair and equal manner and shares of the same class shall carry the same rights.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity and individual.

Shares of the Company held by promoters shall not be transferred for a period of one year after the Company's establishment. Shares issued prior to the Company's public offering of shares shall not be transferred for a period of one year from the date of listing and trading of the Company's shares on the stock exchange.

The directors, supervisors and senior management of the Company shall declare to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares held by them in the Company each year during their term of office; their shares in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The shares of the Company held by the abovementioned persons shall not be transferred within six months after their departure from office.

Increase, Reduction and Repurchase of Shares

Based on its operating and development needs, the Company may, pursuant to the laws and regulations and resolutions made at shareholders' meetings, increase its capital in the following ways:

- (I) public offering of shares;
- (II) private placement of shares;
- (III) distribution of dividends to existing shareholders;
- (IV) conversion of funds in the capital reserve to share capital;
- (V) other means prescribed by laws and administrative regulations and approved by the China Securities Regulatory Commission and the securities regulatory authorities of the places where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital pursuant to the Company Law, other relevant provisions and procedures specified in the Articles of Association.

The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and the Articles of Association, repurchase its shares under the following circumstances:

- (I) reduction of the registered capital of the Company;
- (II) merger with another company holding shares of the Company;
- (III) use of shares for employee stock ownership plans or equity incentives;
- (IV) request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company;
- (V) use of shares for conversion of corporate bonds convertible into shares issued by the Company;
- (VI) necessity for maintaining company value and protecting shareholders' equity.

The Company shall not trade its shares except in the aforesaid circumstances.

Shareholders

The rights of the Company's shareholders are as follows:

- (I) to receive distribution of dividends and other forms of benefits according to the number of shares held;
- (II) to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the shareholders' meeting and exercise corresponding rights to vote;
- (III) to supervise the Company's operations, put forward proposals or raise enquiries;
- (IV) to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (V) to inspect the Articles of Association, register of shareholders, corporate bond stubs, minutes of shareholders' meetings, resolutions of meetings of the Board, resolutions of meetings of the Supervisory Committee and financial accounting reports; shareholders who have held, either individually or collectively, more than 3% of the company's shares for a continuous period of 180 days or more may request to review the company's accounting books and accounting vouchers;
- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;

(VII) with respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company, entitled to demand the Company to acquire the shares held by them;

(VIII) any other rights stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The shareholders of the Company shall have the following obligations:

- (I) to comply with laws, administrative regulations and the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw shares unless required by the laws and regulations;
- (IV) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;

Shareholders of the Company who abuse their shareholders' rights and thereby cause loss to the Company or other shareholders shall be liable for indemnity according to the law. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

- (V) any other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders' Meeting General Provisions

The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (I) to elect and remove directors and supervisors not represented by employees and to decide on matters relating to the remuneration of directors and supervisors;
- (II) to consider and approve reports of the Board;
- (III) to consider and approve reports of the Supervisory Committee;
- (IV) to consider and approve the Company's proposals for annual financial budget and final accounts;
- (V) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VI) to decide on any increase or reduction of the Company's registered capital;
- (VII) to decide on the issue of corporate bonds;

- (VIII) to decide on issues such as merger, division, dissolution, liquidation and change of form of the Company;
- (IX) to amend the Articles of Association;
- (X) to decide on the engagement and dismissal of the accounting firm of the Company;
- (XI) to consider and approve the guarantees as provided for in Article 45;
- (XII) to consider the purchase, disposal of substantial assets or external investment of the Company with an amount exceeding 30% (including 30%) of the latest audited total assets of the Company within one year;
- (XIII) to consider and approve major transaction matters as stipulated in Article 120;
- (XIV) to consider and approve related-party transaction matters as stipulated in Article 121;
- (XV) to consider equity incentive plans and employee stock ownership plans;
- (XVI) to consider other matters which are required to be determined at the shareholders' meeting as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders' meetings include annual meetings and extraordinary meetings. The Company shall hold annual meetings and extraordinary meetings as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association to ensure that shareholders can exercise their rights in accordance with the law. Annual meetings shall be held by the Company once every year and within six months from the close of the preceding fiscal year.

The Company shall convene an extraordinary meeting within 2 months upon the occurrence of the following events:

- (I) the number of directors is less than the number as stipulated in Company Law or less than two-thirds of the number as specified in the Articles of Association;
- (II) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (III) requested by the shareholder(s) individually or collectively holding 10% or more of the shares of the Company;
- (IV) whenever the Board considers it necessary;
- (V) when the Supervisory Committee proposes to hold such a meeting;
- (VI) When more than half of the independent non-executive directors propose to hold such a meeting;
- (VII) any other circumstances as stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' Meetings

The independent non-executive directors shall have the right to propose to the Board to convene an extraordinary meeting. In response to a proposal by an independent non-executive director to convene an extraordinary meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary meeting within 10 days upon receipt of such proposal.

The Supervisory Committee shall have the right to propose to the Board to convene an extraordinary meeting. Such proposal shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

Shareholder(s) individually or collectively holding more than 10% of the shares of the Company shall have the right to request the Board to convene an extraordinary meeting. Such request shall be made to the Board in writing. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Supervisory Committee or shareholders decide(s) to convene the shareholders' meeting by itself/themselves, it/they shall issue a written notice to the Board. Prior to the resolutions of the shareholders' meeting are made in accordance with the law, the shares held by the convening shareholder(s) shall not be less than 10% of the shares of the Company.

Proposals and Notices of Shareholders' Meetings

The Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to make a proposal to the Company at a shareholders' meeting of the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may make provisional proposals in writing to the convener of a shareholders' meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' meeting and announce the contents of such provisional proposals to the shareholders within two days after receipt thereof.

Except as provided by the preceding paragraph, the convener of a shareholders' meeting shall not amend the proposals already specified in the notice of the shareholders' meeting or add new proposals subsequent to the issue of the notice of the shareholders' meeting.

Proposals which are not specified in the notice of the shareholders' meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the shareholders' meeting.

The convener shall notify shareholders by announcement 20 days prior to the date of the annual meeting (excluding the date of which the meeting is convened) and 15 days prior to the date of the extraordinary meeting (excluding the date of which the meeting is convened).

Holding of Shareholders' Meetings

All shareholders of the ordinary shares registered on the register of shareholders on the equity registration date or their proxies shall be entitled to attend the shareholders' meeting and speak and exercise their and voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Any shareholder shall be entitled to attend the meeting in person, or appoint a proxy to attend, and vote on his/her behalf.

The shareholders' meeting shall be presided over by the chairman of the Board. Where the chairman cannot or fails to perform his/her duties, half of the directors or more shall jointly recommend one director to preside over the meeting.

A shareholders' meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, one supervisor shall be elected jointly by half or more of the supervisors to preside over the meeting.

The shareholders' meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.

When a shareholders' meeting is held and the presider violates the Rules of Procedure in a way that makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the presider of the meeting so as to carry on with the meeting, subject to the approval of more than one half of the attending shareholders with voting rights.

The convener shall ensure that the shareholders' meeting does not end until a final resolution is made. In case the shareholders' meeting is suspended or the shareholders' meeting is prevented from passing a resolution due to force majeure or other special reasons, necessary measures shall be taken to reconvene the meeting as soon as possible or to directly terminate the meeting.

Voting and Resolutions at Shareholders' Meetings

The resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by more than one half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting.

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans drafted by the Board;
- (III) appointment or dismissal of the members of the Board and the Supervisory Committee not represented by employees, their remunerations and the method of payment thereof;
- (IV) annual report of the Company;
- (V) other matters other than those approved by special resolution as stipulated in the laws, administrative regulations or the Articles of Association.

A special resolution shall be adopted by more than two-thirds of the votes held by the shareholders (including proxies of shareholders) attending the shareholders' meeting.

The following matters shall be approved by special resolution at the shareholders' meeting:

- (I) the increase or decrease of the registered capital of the Company;
- (II) division, merger, dissolution and liquidation of the Company or the change of form of the Company;
- (III) amendment of the Articles of Association;
- (IV) substantial assets acquired, disposed of or invested externally by the Company for an amount exceeding 30% of the latest audited total assets of the Company within one year;
- (V) equity incentive plans;
- (VI) other matters as required by the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and confirmed by an ordinary resolution at a shareholders' meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

Shareholders (including proxies thereof) who vote shall exercise their voting rights in accordance with the number of voting shares represented by them, and each share carries the right to one vote.

The Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' meeting.

In compliance with the provisions of applicable laws, regulations, securities regulatory rules of the place where the Company's shares are listed, the Board, independent non-executive directors and shareholders who meet the relevant requirements can openly gather voting rights from shareholders. Voting rights shall be gathered with sufficient disclosure of information, such as preference of vote, to shareholders from whom voting rights are gathered. Compensation or compensation in disguise for the voting rights gathered is prohibited. Except for statutory conditions, the Company shall not set a minimum shareholding limit for gathering voting rights.

If any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favour of or against a resolution under the Listing Rules of the Hong Kong Stock Exchange, the votes cast by that shareholder or his proxy in violation of such requirements or restrictions shall not be counted.

Shareholders attending the shareholders' meeting shall present one of the following views on the proposals submitted for voting: for, against or abstention. The securities registration and clearing organization shall be the nominal holder of shares under the Chinese Mainland and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.

The resolutions of the shareholders' meeting shall state the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the form of voting, the voting result of each proposal and the detailed content of each resolution passed.

Directors

Directors shall be elected or replaced at the shareholders' meetings each for a term of three years. A director may seek re-election upon expiry of the said term.

The term of office of a director shall commence from the date on which the said director assumes office to the expiry of the current term of the Board. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected director assumes his/her office.

Without the violation the regulatory rules of the place where the Company's shares are listed, director appointed by the Board to fill a casual vacancy or add the quota of directors of the Board shall only serve from the date of appointment until the first annual meeting of the Company after his/her appointment and is eligible for re-election.

A director may serve concurrently as senior management member, provided that the aggregate number of the directors who serve concurrently as general manager or other senior management members shall not exceed one half of the total number of directors of the Company.

The Board of the Company does not have any director who is represented by employee.

A director may resign before expiry of his/her term of office. The resigning director shall submit a written resignation to the Board. The Board will disclose relevant information to shareholders within two days.

In the event that the resignation of any director results in the number of members of the Board of the Company being less than the statutory minimum requirement, the said director shall continue to perform duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the elected director assumes his/her office.

Save for the circumstances in the preceding paragraph, the resignation of a director shall become effective upon submission of his/her resignation to the Board.

If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her obligations of honesty to the Company and shareholders thereof shall remain effective within one year upon the end of his/her term of office.

The director's confidentiality obligation in respect of trade secrets of the Company survives the termination of his/her term of office until such secrets become publicly known. Duration of other obligations of honesty shall be determined following the principle of fairness, depending on the length of time between the incident and the leave, and the circumstances and conditions under which the relationship with the Company ended.

Directors' qualification shares: the articles of association do not provide for directors' qualification shares.

Board

The Board shall consist of 9 directors, with 3 independent non-executive directors and one chairman. At all times, the Board shall have more than one-third independent non-executive directors, and the total number of independent non-executive directors shall not be less than three. At least one independent non-executive director shall have appropriate professional qualifications in line with regulatory requirements or be equipped with appropriate accounting or relevant financial management expertise.

The Board shall consist of one chairman which shall be elected by a majority of all directors.

The Board exercises the following powers:

- (I) to convene the shareholders' meeting and report on work to the shareholders' meeting;
- (II) to implement the resolutions of the shareholders' meeting;
- (III) to determine the business and investment plans of the Company;
- (IV) to devise the annual financial budget and closing account plans of the Company;
- (V) to devise the profit distribution plans and loss recovery plans of the Company;
- (VI) to formulate the plans for increasing or decreasing the Company's registered capital, the issuance of bonds or other securities, as well as the listing of the Company;
- (VII) to formulate plans for major acquisitions of the Company, the buy-back of shares of the Company, or merger, division, dissolution and change of the form of the Company;
- (VIII) to determine such matters as the Company's external investment, acquisition or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction within the scope authorized by the shareholders' meeting;
- (IX) to decide on the setup of the Company's internal management organization;
- (X) to appoint or dismiss the Company's general manager and the secretary of the Board; based on the nomination of the general manager, to appoint or dismiss senior management members of the Company such as deputy general manager and finance manager and determine their remunerations and rewards and punishments;
- (XI) to set the basic management systems of the Company;
- (XII) to make the modification plan to the Articles of Association;
- (XIII) to manage the disclosure of company information;
- (XIV) to propose the appointment or replacement of the accounting firm that performs audits for the Company at the shareholders' meeting;
- (XV) to attend to the work report of the Company's general manager and review the work of the general manager;
- (XVI) to discuss and evaluate whether the corporate governance mechanism provides appropriate protection and equal rights for all shareholders, whether the corporate governance structure is reasonable and effective, and other matters;
- (XVII) assume the ultimate responsibility for money laundering risk management and perform the following duties: establish the goal of building a money laundering risk management culture; review money laundering risk management strategies; approve money laundering risk management policies and procedures; authorize senior management to take the lead in money laundering risk management; regularly review anti-money laundering work reports and promptly understand major money laundering risk events and remediation; and perform other relevant duties as required by relevant laws, administrative regulations, departmental rules and other normative documents;

(XVIII) other powers and duties authorized by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the scope of authority of the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

Board meetings shall be held at least four times a year (about once a quarter) and shall be convened by the chairman of the Board with written notice to all directors and supervisors 14 days prior to the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than half of the independent non-executive directors or the supervisory committee may propose to convene an interim Board meeting. The chairman shall convene and preside over a Board meeting within 10 days from the receipt of the proposal.

Notices of interim Board meeting convened by the Board shall be sent by hand, mail, fax or email. The notification time limit is at least 3 days before holding the meeting. The obligation to notify in advance may be waived with the consent of all directors. If a director has attended the meeting and has not raised any objection that the meeting notice has not been received before attending the meeting or while attending the meeting, the meeting notice shall be deemed to have been issued to him/her.

The Board meeting shall be attended by more than one half of the directors. Resolutions made by the Board shall be approved by a majority of all directors.

Voting on the resolutions of the Board shall be conducted on a one-person-one-vote basis.

The resolution of the board of directors shall be voted on by written and named voting, and the directors participating in the voting shall sign on the written resolution or the minutes of the meeting to confirm their voting opinions.

The extraordinary meeting of the board of directors may be held and resolutions made by means of communication, fax, video, etc. under the premise of ensuring that directors can fully express their opinions, and the resolutions shall be signed by the attending directors.

A director who is related/connected to an enterprise involved in a matter resolved at a board meeting shall not exercise his/her voting rights on that resolution, nor shall he/she exercise his/her voting rights on behalf of other directors. The Board meeting shall be held with the attendance of a majority of the unaffiliated/connected directors, and the resolutions made at the Board meeting shall be passed by a majority of the unaffiliated directors. If the number of unaffiliated/connected directors attending the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Borrowing Authority

The Articles of Association do not contain any specific provision regarding the exercise of borrowing authority by the Directors.

Senior Management

The Company shall consist of one general manager who is appointed or dismissed by the Board. The general manager, deputy general manager, financial controller and secretary of the Board are the senior management personnel of the Company.

General Manager

Each term of office of the general manager is three years and is renewable upon re-election.

The general manager is responsible to the Board and exercises the following powers:

- (I) to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the Board and report to the Board on work;
- (II) to organize the implementation of the annual operation plans and investment schemes of the Company;
- (III) to formulate the structure scheme of the internal management department of the Company;
- (IV) to formulate the fundamental management policies of the Company;
- (V) to formulate the specific management rules of the Company;
- (VI) to propose to the Board of Directors the appointment or dismissal of senior management such as the Company's deputy general manager and finance controller;
- (VII) to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the Board of Directors;
- (VIII) the powers stipulated in the detailed rules for the general manager's work;
- (IX) other functions and powers authorized by the Articles of Association and the Board.

The general manager shall attend the Board meetings without voting rights.

Secretary of the Board

The company shall have one secretary of the board of directors, who shall be appointed by the board of directors. The secretary of the board of directors is responsible for the company's information disclosure affairs, the preparation of shareholders' meetings and board meetings, the safekeeping of documents, and the management of shareholder information of the company, etc.

Supervisory Committee

The Company shall have a Supervisory Committee comprised of 3 supervisors.

The supervisory committee shall have one chairman which is elected by at least a majority of its members by voting.

Meetings of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee; if the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor who has been elected by more than one half of the supervisors shall convene and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall comprise shareholder representatives and employee representatives, in which its proportion shall not be less than one-third.

The shareholder representatives in the Supervisory Committee shall be elected by the shareholders' meeting; the employee representative shall be elected democratically by the employees of the Company at the employee representatives' meeting.

The Supervisory Committee shall exercise the following powers:

- (I) to examine the regular reports of the Company prepared by the Board of Directors and produce written opinions thereon;
- (II) to examine the financial operations of the Company;
- (III) to supervise the performance of duties to the Company by the directors and senior management, and propose dismissal of any director or senior management member who violates the laws, administrative regulations, the Articles of Association or resolutions of shareholders' meeting;
- (IV) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (V) to propose the convening of an extraordinary meeting, and to convene and preside over the shareholders' meeting when the Board of Directors fails to perform such duties as specified in the Company Law;
- (VI) to submit proposals to the shareholders' meeting;
- (VII) to institute legal proceedings against the directors and senior management members according to the Company Law;
- (VIII) in the event that the Supervisory Committee discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as accounting firms and law firms, to assist in its work; any expenses incurred thereby shall be borne by the Company;
- (IX) to exercise other functions and powers as specified in the laws, administrative regulations, departmental rules, securities regulatory authorities where the Company's shares are listed and the Articles of Association.

Financial and Accounting System

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the preceding paragraph.

After withdrawing statutory reserve fund from after-tax profit, the Company may, subject to a resolution of the shareholders' meeting, withdraw discretionary reserve fund from after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings unless otherwise specified in the Articles of Association.

If the shareholders' meeting has, in violation of the provisions of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provisions.

The Company's shares held by the Company are not entitled to any profit distribution.

The reserve fund of the Company can be used for making up for losses of the Company, expanding the Company's production and operation or increasing the registered capital of the Company.

To make up for the Company's loss from the reserve fund, discretionary reserve fund and statutory reserve fund shall be used first; if it still cannot be made up, the capital reserve fund can be used in accordance with regulations.

Where the statutory reserve fund is converted into capital, the balance of the reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

The policy of profit allocation of the Company shall be: Emphasizing reasonable investment returns for investors is conducive to the long-term development of the Company. The Company can distribute dividends in the form of cash or stocks.

FURTHER INFORMATION ABOUT OUR COMPANY**Establishment of our Company**

Our Company was established as a limited liability company under the laws of the PRC on November 1, 2011, and was converted into a joint stock limited company under the laws of the PRC on December 22, 2020. Our Company's registered office is located at Room 101, 1/F, Building 3, Compound No. 10, Liangshuihe 1st Street, Beijing Economic-Technological Development Area, Beijing, PRC.

Our Company has established a place of business in Hong Kong at 17/F, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong, and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance. Ms. Chan Lok Tung has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

Changes in the Share Capital of our Company

Save as disclosed in "History, Development and Corporate Structure," there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

Changes in the Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in "History, Development and Corporate Structure — Our Major Subsidiary" and Note 16 to the Accountants' Report as set out in Appendix I to this prospectus.

Save as disclosed below, there has been no alteration in the registered capital of our subsidiaries within two years immediately preceding the date of this prospectus.

Beijing Crealights

On August 20, 2024, Beijing Crealights' registered capital increased from RMB5,000,000 to RMB10,000,000.

Nanjing Crealights

On February 17, 2025, Nanjing Crealights was established under the laws of the PRC with a registered capital of RMB100,000,000.

Suzhou Crealights

On July 7, 2025, Suzhou Crealights was established under the laws of the PRC with a registered capital of RMB60,000,000.

Resolutions of the Shareholders

Pursuant to a general meeting held on October 23, 2025, the Shareholders resolved that, among others:

- (a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares being listed on the Stock Exchange;

- (b) the number of H Shares to be issued shall not be more than 25% of the total issued share capital of our Company as enlarged by the Global Offering (without taking into account of any H Shares which may be issued upon the exercise of the Over-Allotment Option), and the grant of the Over-allotment Option in respect of not more than 15% of the number of H Shares initially available under the Global Offering;
- (c) subjects to the CSRC's approval, upon completion of the Global Offering, 76,110,545 Unlisted Shares in aggregate held by 33 Shareholders will be converted into H Shares on a one-for-one basis;
- (d) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association which shall become effective on the Listing Date, and authorization to the Board to amend the Articles of Association to the extent necessary in accordance with laws, regulations and regulatory rules and requirements from relevant government bodies or regulatory authorities and for the purpose of the Listing; and
- (e) authorization of the Board or its authorized individual(s) to handle all matters relating, among other things, to the Global Offering, the issue and the listing of H Shares on the Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:






- (a) the Hong Kong Underwriting Agreement;
- (b) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, JSC International Investment Fund SPC (acting for and on behalf of Jingxin SP) and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HKD250,000,000;
- (c) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, Winwin Technology Investment Co., Limited (雙贏科技投資有限公司) and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HKD200,000,000;
- (d) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, Kingsoft Cloud Network Corporation Limited (金山雲網絡有限公司) and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD5,000,000;
- (e) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, UBS Asset Management (Singapore) Ltd. (as the delegate of the investment manager for and on behalf of the Investors listed in Schedule 3) and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD20,000,000;

- (f) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, Perseverance Asset Management International (Singapore) Pte. Ltd. acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD10,000,000;
- (g) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, E Fund Management Co., Ltd. (易方達基金管理有限公司) and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD500,000; and
- (h) the cornerstone investment agreement dated June 17, 2026 entered into among our Company, E Fund Management (Hong Kong) Co., Ltd. (易方達資產管理(香港)有限公司) and Huatai Financial Holdings (Hong Kong) Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD4,500,000.

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Registration number	Registered owner	Place of registration	Class	Expiry date
1.		11108665	Our Company	PRC	9	November 6, 2033
2.		44339921A	Our Company	PRC	9	December 27, 2030
3.		64559975	Our Company	PRC	9	December 6, 2032
4.		64542110	Our Company	PRC	35	October 27, 2032
5.		68650250	Our Company	PRC	9	June 27, 2033

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Patent name	Patent holder	Patent number	Place of registration	Patent type	Authorization date
1.	Integrated Optical Chip with High-Frequency Pre-Compensation and High-Speed Optical Communication Device (具有高頻預補償的集成化光芯片及高速光通信器件)	Our Company	201210285929.4	PRC	Invention patent	September 2, 2015
2.	Calibration and Testing Method for a Semiconductor Laser and its Application (一種半導體激光器的校準測試方法及其應用)	Our Company	201210307341.4	PRC	Invention patent	March 4, 2015
3.	Optical Transceiver Device with Combined Optical Filter and its Manufacturing Method (一種具有組合式濾光片的光收發器件及其製造方法)	Our Company	201210372364.3	PRC	Invention patent	March 4, 2015
4.	Passive Optical Network for Wavelength Division Multiplexing (一種波分復用上的無源光網絡)	Our Company	201110067271.5	PRC	Invention patent	November 18, 2015
5.	Access Control Monitoring System and Method for Optical Cable Cross-Connect Cabinet (一種光纜交接箱門禁監控系統及方法)	Our Company	201510242644.6	PRC	Invention patent	March 6, 2018
6.	Multi-Channel Coaxial Packaging Structure and Packaging Method (一種多通道同軸封裝結構及封裝方法)	Our Company	201610767103.X	PRC	Invention patent	August 7, 2018
7.	Optical Device with Transceiver on the Same Side (一種收發同側光器件)	Our Company	201610876664.3	PRC	Invention patent	March 5, 2019
8.	Integrated Optical Transceiver Device (一種光收發一體器件)	Our Company	201621103227.X	PRC	Utility model patent	October 24, 2017

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Patent name	Patent holder	Patent number	Place of registration	Patent type	Authorization date
9.	SiPh Integrated Multi-Wavelength Single-Port Transmitting and Receiving Optical Device (硅光子集成多波長單端口發射和接收光器件)	Our Company	201210334227.0	PRC	Invention patent	March 4, 2015
10.	SiPh Integrated High-Speed Optical Communication Transceiver Module (硅光子集成高速光通信收發模塊)	Our Company	201210331698.6	PRC	Invention patent	April 22, 2015
11.	Multi-Wavelength Parallel Optical Transceiver Device (一種多波長並行光收發器件).	Our Company	201720907314.9	PRC	Utility model patent	May 8, 2018
12.	High-Speed Multi-Channel Optical Transceiver (一種高速多通道光模塊)	Our Company	201721083868.8	PRC	Utility model patent	May 8, 2018
13.	Data Cable Assembly and its Operation and Maintenance Method (一種數據線纜組件及其運維方法)	Our Company	201811222512.7	PRC	Invention patent	September 13, 2024
14.	Method for Designing High-Speed Multichannel Optical Module, and Optical Module (一種高速多通道光模塊設計方法及光模塊)	Our Company	PCT/CN2018/096102 (US11196489B2)	United States	PCT international patent application	December 7, 2021
15.	Coupling Structure and Packaging Structure of Laser and Silicon Photonic Chip (一種激光器和硅光芯片的耦合結構和封裝結構)	Our Company	201920558674.1	PRC	Utility model patent	January 14, 2020
16.	MPO Connector with Mask-Type Anti-Unlocking Structure (一種具有遮罩式防解鎖結構的MPO連接器)	Our Company	202021428940.8	PRC	Utility model patent	April 13, 2021
17.	MPO Connector with Anti-Retracton Anti-Unlocking Structure (一種具有防退式防解鎖結構的MPO連接器)	Our Company	202021428939.5	PRC	Utility model patent	February 2, 2021
18.	Fiber Management Component for Optical Transceiver (一種用於光模塊的盤纖件).	Our Company	202022077012.8	PRC	Utility model patent	April 13, 2021

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Patent name	Patent holder	Patent number	Place of registration	Patent type	Authorization date
19.	Mode Spot Converter for Silicon Photonic Chip (一種用於硅光芯片的模式轉換器) .	Our Company	202011114622.9	PRC	Invention patent	January 8, 2021
20.	Assembly Device for Optical Fiber Adapter (一種光纖适配器的組裝裝置)	Our Company	202120469407.4	PRC	Utility model patent	December 14, 2021
21.	Transmission Device and Optical Communication System (一種傳輸裝置及光通信系統)	Our Company	202120552948.3	PRC	Utility model patent	November 26, 2021
22.	Optical Transceiver with Integrated Optical Cable (一種集成光纖的光模塊)	Our Company	202120567932.X	PRC	Utility model patent	November 26, 2021
23.	Low-Cost Optoelectronic Integrated Communication Chip (一種低成本光電集成通信芯片)	Our Company	202121468872.2	PRC	Utility model patent	January 25, 2022
24.	Optoelectronic Communication Device (一種光電通訊器件) .	Our Company	202110926115.3	PRC	Invention patent	May 30, 2025
25.	Optoelectronic Communication Device (一種光電通訊器件) .	Our Company	202121885248.2	PRC	Utility model patent	February 18, 2022
26.	Wafer Process Fault Prediction Method, Apparatus, Electronic Device, and Storage Medium (晶圓的工藝故障預測方法、裝置、電子設備及存儲介質) .	Our Company	202110873238.5	PRC	Invention patent	February 18, 2025
27.	Easy-Packaging Coupling Structure for Silicon Photonic Chip and Silicon-Based Wafer (一種易封裝的硅光芯片耦合結構及硅基晶圓)	Our Company	202122043620.1	PRC	Utility model patent	March 8, 2022
28.	Mode Converter for Transverse Magnetic Mode Order Conversion and its Manufacturing Method (一種用於橫磁模階數轉換的模式轉換器及其製造方法)	Our Company	202111219865.3	PRC	Invention patent	April 16, 2024
29.	Optical Chip with Positioning Groove (一種具有定位槽的硅光芯片)	Our Company	202122495604.6	PRC	Utility model patent	April 5, 2022

No.	Patent name	Patent holder	Patent number	Place of registration	Patent type	Authorization date
30.	Three-Dimensional Optical Flip-Chip Integration Structure and Method Based on Vertical Silicon Photonic Microring (一種基於豎直硅光微環的三維光學倒裝集成結構及方法)	Our Company	202111324325.1	PRC	Invention patent	July 19, 2024
31.	Device for Cutting Pins of Optoelectronic Transceiver Device (一種用於切斷光電收發器件管腳的裝置)	Our Company	202123411183.0	PRC	Utility model patent	July 1, 2022
32.	Silicon Photonic Chip Design Method with Autonomous Temperature Control (一種自主控溫的硅光芯片設計方法) .	Our Company	202210340876.5	PRC	Invention patent	June 11, 2024
33.	Chip Mounting Adjustment Device (貼片調整裝置)	Our Company	202220920905.0	PRC	Utility model patent	August 30, 2022
34.	Device for Assembling Optical Transceiver Adapter and Lens (一種用於組裝光模塊適配器和透鏡的裝置)	Our Company	202222178055.4	PRC	Utility model patent	January 3, 2023
35.	Operation Device for Optical Device and Optical Device Coupling Mechanism (用於光器件的作業裝置及光器件耦合機構)	Our Company	202223528331.1	PRC	Utility model patent	April 14, 2023
36.	Optical Transceiver (一種光模塊)	Our Company	202320329432.1	PRC	Utility model patent	September 12, 2023
37.	Data Transmission Line Connector (數據傳輸線接頭) .	Our Company	202330090893.3	PRC	Design patent	July 4, 2023
38.	Integrated Transceiver Optical Transceiver (Board-Level Interconnection) (收發一體光模塊(板極互聯))	Our Company	202330098532.3	PRC	Design patent	June 30, 2023
39.	Coupling Device of Laser and Silicon Photonic Chip and Communication Equipment (一種激光器和硅光芯片的耦合裝置及通信設備)	Our Company	202421825317.4	PRC	Utility model patent	April 29, 2025

Copyrights

As of the Latest Practicable Date, we had the following copyrights which we considered to be material to our business:

No.	Copyright Name	Registered owner	Registration Number	Place of Registration
1.	Crealights Working Hours Management System V1.0 (海光芯創工時管理系統V1.0) . .	Our Company	2021SR1295672	PRC

Domain Names

As of the Latest Practicable Date, we had registered the following internet domain names which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1.	crealights.com	Our Company	November 15, 2026
2.	szcrealights.com	Suzhou Crealights	November 18, 2026

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, AND SUBSTANTIAL SHAREHOLDERS**Particulars of Directors' and Supervisors' Service Contracts**

We have entered into a service contract or a letter of appointment with each of our Directors and Supervisors in respect of, among others, (i) term of service, (ii) termination, (iii) compliance with the relevant laws and regulations and (iv) observance of the Articles of Association. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors or Supervisors has or is proposed to have a service contract with any member of our Group.

Remuneration of Directors and Supervisors

For details of the remuneration of Directors and Supervisors, see “Directors, Supervisors and Senior Management — Directors' and Supervisors' Remuneration and Remuneration of the Five Highest-paid Individuals” and Note 9 to the Accountants' Report in Appendix I to this prospectus.

Disclosure of Interests***Interests of our Directors, Supervisors and Chief Executive of our Company***

Save as disclosed below, immediately following the completion of the Global Offering (assuming no exercise of the Over-allotment Option and no Shares are issued under the Pre-IPO Share Option Scheme) and the conversion of the Unlisted Shares into H Shares, so far as our Directors are aware, none of our Directors, Supervisors or chief executive of our Company will have any interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or our associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO

(including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company and the Stock Exchange, once the H Shares are listed on the Stock Exchange.

Name	Position	Nature of interest	Number and description of Shares held	Approximate percentage of shareholding in the relevant type of Shares ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company ⁽¹⁾
Dr. Hu	Chairman of our Board, executive Director, and chief executive officer of our Company	Beneficial owner	8,452,320 H Shares	9.44%	9.44%
		Interest in controlled corporation ⁽²⁾	7,616,040 H Shares	8.51%	8.51%
Hu Yong . . .	Executive Director, vice general manager of operation and Board secretary of our Company	Beneficial interest ⁽³⁾	200,000 H Shares	0.22%	0.22%
Zhou Hong . .	Executive Director and chief financial officer of our Company	Beneficial interest ⁽⁴⁾	200,000 H Shares	0.22%	0.22%
Sun Xu	Executive Director and chief technology officer of our Company	Beneficial interest ⁽⁵⁾	300,000 H Shares	0.34%	0.34%
Guo Qingsong . .	Executive Director and vice general manager of the supply chain	Beneficial interest ⁽⁶⁾	300,000 H Shares	0.34%	0.34%

(1) The calculation is based on the total number of 89,542,045 H Shares in issue upon Listing comprising (i) an aggregate of 76,110,545 H Shares to be converted from the Unlisted Shares and (ii) 13,431,500 H Shares to be issued pursuant to the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Over-allotment Option and assuming no Shares are issued under Pre-IPO Share Option Scheme).

(2) As of the Latest Practicable Date, Dr. Hu was the general partner of our Employee Incentive Platforms. As a result, Dr. Hu is deemed to be interested in the 7,616,040 Shares held by Employee Incentive Platforms under the SFO.

(3) As of the Latest Practicable Date, Hu Yong was granted 200,000 options by our Company, upon the exercise of which the same number Shares will be issued.

(4) As of the Latest Practicable Date, Zhou Hong was granted 200,000 options by our Company, upon the exercise of which the same number Shares will be issued.

(5) As of the Latest Practicable Date, Sun Xu was granted 300,000 options by our Company, upon the exercise of which the same number Shares will be issued.

(6) As of the Latest Practicable Date, Guo Qingsong was granted 300,000 options by our Company, upon the exercise of which the same number Shares will be issued.

Interests of substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this prospectus, our Directors are not aware of any other person (other than our Directors, Supervisors or chief executive of our Company) who will, immediately following the completion of the Global Offering (assuming no exercise of the Over-allotment Option and no Shares are issued under the Pre-IPO Share Option Scheme) and the conversion of the Unlisted Shares into H Shares, have an interest and/or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the

provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

Agency Fees or Commissions Received

The Underwriter will receive an underwriting commission in connection with the Underwriting Agreements. See “Underwriting — Underwriting Arrangements and Expenses — Underwriting Commissions and Expenses.” Save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted by our Group to any person (including our Directors, promoters and experts referred to in “— Other Information — Qualifications of Experts” below) in connection with the issue or sale of any capital or security of our Company or any member of our Group within the two years immediately preceding the date of this prospectus.

Within the two years immediately preceding the date of this prospectus, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

Pre-IPO Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme adopted on October 23, 2025. The Pre-IPO Share Option Scheme is not subject to the approval requirement under Chapter 17 of the Listing Rules as it does not involve the grant of Shares or the grant of options by our Company to subscribe for the Shares after the Listing. Terms of the Pre-IPO Share Option Scheme does not need to comply with provisions under Chapter 17 of the Listing Rules so long as no further options may be granted thereunder after the Listing.

Objectives

The objectives of the Pre-IPO Share Option Scheme are to further establish and improve our Company’s long-term incentive mechanism, attract and retain outstanding talents, fully motivate Directors, senior management, core employees of our Company who have a direct impact on our Company’s business performance and future development. The Pre-IPO Share Option Scheme aims to align the interests of the Shareholders, our Company, and the key personnel and to foster a shared commitment to our Company’s long-term growth.

Administration

The Pre-IPO Share Option Scheme is subject to the approval of the Shareholders’ meeting, administration of the Board and the supervision of the Supervisory Committee and independent non-executive Directors.

Eligibility

The eligible participants of the Pre-IPO Share Option Scheme are our Directors, senior management and core employees of our Company, excluding (i) Supervisors; (ii) independent non-executive Directors; (iii) shareholders individually or collectively holding 5% or more of the Shares of our Company; and (iv) our Company’s actual controllers, and their spouses, parents and/or children.

Each eligible participant under the Pre-IPO Share Option Scheme should have signed an employment contract or service contract with our Company or any of the subsidiaries of our Company. The senior management under the Pre-IPO Share Option Scheme should have been duly appointed by the Board.

Grantees

There are total 28 grantees under the Pre-IPO Share Option Scheme, which include four Directors and 24 core employees of our Company.

Maximum Number of Shares

The maximum number of Shares to be granted under the Pre-IPO Share Option Scheme shall not exceed 10% of the total issued share capital of our Company at the time when the Pre-IPO Share Option Scheme is considered and approved by the Shareholders' meeting. Accordingly, the maximum number of Shares to be granted under the Pre-IPO Share Option Scheme shall not exceed 7,611,054 Shares.

The maximum number of Shares to be granted to each grantee under the Pre-IPO Share Option Scheme shall not exceed 1% of the total issued share capital of our Company at the time when the Pre-IPO Share Option Scheme is considered and approved by the Shareholders' meeting.

Source of Shares

The options granted under the Pre-IPO Share Option Scheme (the "**Option(s)**") will entitle the grantees to subscribe for Shares to be issued by our Company after Listing. All of the Options must be granted before the Listing.

Validity Period

The Pre-IPO Share Option Scheme shall be valid and effective from the date of grant until all Options granted thereunder have either been exercised in full or cancelled, subject to a maximum term of 48 months from the Listing Date.

Vesting Period

The vesting period of the Options shall commence on the date of grant and end on the day upon expiry of 12 months from the date of grant or the Listing Date, whichever is later. No Options shall be transferred, used as a form of guarantee or as a repayment of debt by any grantee prior to the expiry of the vesting period.

Exercise Period and Exercise Conditions

Subject to the terms and conditions of the Pre-IPO Share Option Scheme and the grant agreement signed by the grantee, the Options shall be exercised by the grantee on any trading day within the exercise period, provided that the Options shall not be exercisable prior to the expiry of the vesting period. The exercise of any Option shall be further subject to the satisfaction of the prescribed exercise conditions.

The grantees may exercise their Options in two tranches:

	Exercise period	Maximum portion of Options which may be exercised
The first exercise period . .	Commencing on the first trading day of H shares immediately following the expiry of the vesting period and ending on the last trading day within 12 months from the date of grant	50%
The second exercise period.	Commencing on the first trading day immediately following the expiry of 12 months from the expiry of the vesting period and ending on the last trading day within 24 months from the date of grant	50%

Any Option that is not exercised within the prescribed exercise period or which fails to satisfy the applicable exercise conditions shall be cancelled in accordance with the terms of the Pre-IPO Share Option Scheme.

Exercise Price

The exercise price of the Options is RMB20 per Share.

In determining the exercise price of the Options, our Company has taken into account a number of factors, including but not limited to the intended level of motivation, our Company's business results and the extent of employee's contributions.

If, during the period from the approval date of the Pre-IPO Share Option Scheme to the date on which the Options are exercised, our Company undertakes any capitalization of capital reserves, distribution of stock dividends, share split or consolidation, rights issue or dividend distribution, adjustments will be made to the exercise price of the Options in accordance with the relevant provisions of the Pre-IPO Share Option Scheme.

Lock-up Periods and Restrictions

The grantees under the Pre-IPO Share Option Scheme shall comply with the lock-up period and restriction requirements under the relevant laws and regulations.

Outstanding Options Granted under the Pre-IPO Share Option Scheme

As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 2,800,000 Shares, representing approximately 3.13% of the issued Shares immediately following the completion of the Global Offering (assuming that (1) the Over-allotment Option is not exercised; and (2) no Shares are issued under the Pre-IPO Share Option Scheme).

Assuming full exercise of all outstanding Options, the shareholding of the Shareholders immediately following completion of the Global Offering (assuming that (1) all Options are exercised; (2) the Over-allotment Option is not exercised; and (3) no further Shares are issued under the Pre-IPO Share Option Scheme) and our earnings per Share will be diluted by approximately 3.03%.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Pursuant to a Shareholders' resolution dated October 23, 2025, our Company granted Options to certain Directors, senior management member, and other employees of our Company under the Pre-IPO Share Option Scheme as set forth below.

Name	Position in our Group	Address	Date of Grant	Expiry Date	Number of Shares underlying the outstanding Options	Approximate % of the issued Shares immediately after completion of the Global Offering ⁽¹⁾
Guo Qingsong (郭青松)	Executive Director and vice general manager of the supply chain	Room 602, Building 14, Huiyingshidai Garden, No. 139 Xinjiang Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	300,000	0.34%
Yang Bin (楊斌)	Deputy General Manager of the Marketing Department	Room 402, No. 55, Lane 250 Zhenjin Road, Putuo District, Shanghai, PRC	October 23, 2025	October 23, 2029	300,000	0.34%
Sun Xu (孫旭)	Executive Director and chief technology officer of our Company	Room 105, Unit 1, Building 65, Weina Sunshine Garden, No. 80 Keneng Road, Weiting Town, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	300,000	0.34%
Zhou Hong (周紅)	Executive Director and chief financial officer of our Company	Room 2506, Building 11, West Dushu Lake Linglong Garden, Guoxiang Subdistrict, Wuzhong Economic Development Zone, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	200,000	0.22%
Hu Yong (胡勇)	Executive Director, vice general manager of operation and Board secretary of our Company	Room 1202, Building 9, Yihe Linglong Garden, No. 588 Gangtian Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	200,000	0.22%
Cao Xigang (曹錫剛)	Deputy General Manager of Beijing Crealights	Room 301, Unit 5, Building 9, Longtengyuan Community (Area 4), Huilongguan Town, Changping District, Beijing, PRC	October 23, 2025	October 23, 2029	200,000	0.22%
Chen Cao (陳操)	Senior Manager of Device R&D, Optical R&D Center	Room 2204, Building 6, No. 58 Yisheng Road, Huqiu District, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	100,000	0.11%
Zhang Penghui (張鵬輝)	Hardware Manager, Module R&D Center	Room 207, Building 21, Meihua Third Village, Gusu District, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	100,000	0.11%
Jin Chao (金超)	Manager of Information Department	No. 18 Gangnan, Chongshan Village, Guangfu Town, Wuzhong District, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	100,000	0.11%
Zhang Banghong (張邦宏)	Director of Module R&D Center	No. 32 Dayuan Hutong, Xicheng District, Beijing, PRC	October 23, 2025	October 23, 2029	100,000	0.11%

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Name	Position in our Group	Address	Date of Grant	Expiry Date	Number of Shares underlying the outstanding Options	Approximate % of the issued Shares immediately after completion of the Global Offering ⁽¹⁾
Liu Shenghao (劉晟昊)	Pre-research Manager, Optical R&D Center	No. 27 Jiangdong Road, Zhangjiang Town, Pudong New Area, Shanghai, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Cao Wei (曹蔚)	Supervisor of Silicon Photonics Design, Optical R&D Center	Room 13, 7/F, Unit 2, Building 1, No. 4 Puyuan North Road, Jinniu District, Chengdu, Sichuan Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Lin Tianying (林天營)	Supervisor of Chip Packaging and Testing, Optical R&D Center	Building Haiyi Haoyuan, No. 56 Binhai Avenue, Longhua District, Haikou, Hainan Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Zhu Zhengqiang (朱鍾強)	Supervisor of Firmware, Module R&D Center	Group 2, Shanpen Village, Chian Town, Yiwu, Zhejiang Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Chen Liang (陳亮)	Senior Hardware Engineer, Module R&D Center	No. 109 Shizijie Street, Bingxi Town, Yushan County, Shangrao, Jiangxi Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Liu Nan (劉楠)	Mechanical Design Manager, Optical R&D Center	Room 102, Building 1, Guofeng Huayuan, Wuzhong District, Suzhou, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Zhang Weijun (張偉俊)	Supervisor of NPI (New Product Introduction), Module R&D Center	Room 1801, Building 7, Mingyuan, Evergrande Shanshuicheng, Jiulonghu Town, Zhenhai District, Ningbo, Zhejiang Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Chen Peng (陳鵬)	Layout Supervisor, Module R&D Center	No. 13, Group 5, Wulin Village, Wuyou Sub-district, Chengnan New District, Yancheng, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Ye Yuanchen (葉元辰)	Technical Supervisor, Optical R&D Center	No. 98 Liudalou, Weimiao Town, Pei County, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Zhu Shasha (朱莎莎)	Business Manager, Marketing and Sales Department	Room 203, Building 17, Jinxiyuan, Suzhou Industrial Park, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Ma Huan (馬歡)	FAE (Field Application Engineer) Supervisor, Marketing and Sales Department	Room 802, Unit 2, Building 7, No. 188 Honglian Avenue, Miaoling Town, Huarong District, Ezhou, Hubei Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Zhu Weiwen (朱衛文)	Treasury Management Manager, Finance Management Department	Room 302, Building 34, Dongfang Garden, Suzhou Industrial Park, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%

Name	Position in our Group	Address	Date of Grant	Expiry Date	Number of Shares underlying the outstanding Options	Approximate % of the issued Shares immediately after completion of the Global Offering ⁽¹⁾
Yang Zeguang (楊澤光)	Securities Affairs Representative, Finance Management Department	Group 4, Committee 30, Heping Street, Acheng District, Harbin, Heilongjiang Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Dai Huiting (戴輝婷)	Production Planning Manager, Supply Chain Department	No. 33, Group 1, Yinzhuang, Donglian Village, Zhangqiao Town, Taixing, Jiangsu Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Yu Peng (于鵬)	Quality Director, Quality Department	Building B, No. 8 Fuzhou South Road, Shinan District, Qingdao, Shandong Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Sun Chao (孫超)	HR Director, Human Resources and Administration Department	No. 457 Tianjia Village, Shinan District, Qingdao, Shandong Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Li Jiangbo (李江波)	Cost Director, Product Management Department	Room 402, Unit 4, Building 10, No. 751 Jinshui Road, Licang District, Qingdao, Shandong Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%
Liang Senrong (梁森榮)	Director of Nanjing Factory	Room 33, Building 1, No. 2 Yongtong Road, Huicheng District, Huizhou, Guangdong Province, PRC	October 23, 2025	October 23, 2029	50,000	0.06%

(1) Assuming that (i) the Over-allotment Option is not exercised; and (ii) no Shares are issued under the Pre-IPO Share Option Scheme.

Disclaimers

- (a) None of our Directors, Supervisors nor any of the experts referred to in “Qualifications of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group;
- (b) Save in connection with the Underwriting Agreements, none of our Directors, Supervisors nor any of the experts referred to “Qualifications of Experts” below is (i) materially interested in any contract or arrangement subsisting at the date of this prospectus which is interested legally or beneficially in any shares in any member of the Group; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and
- (c) None of our Directors or their respective close associates or the Shareholders who to the knowledge of our Directors are interested in more than 5% of our issued share capital has any interest in our top five customers or suppliers during the Track Record Period.

OTHER INFORMATION**Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, no member of the Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and so far as our Directors are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of the Group.

Sole Sponsor

The Sole Sponsor will receive the fee of US\$800,000 to act as the sponsor to our Company in connection with the Listing.

Preliminary Expense

Our Company did not incur any material preliminary expense.

Promoters

The promoters of our Company are all then 26 shareholders of our Company as of December 22, 2020 before our conversion into a joint stock company with limited liability. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering or the related transactions described in this prospectus.

Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO
Ernst & Young	Certified public accountants and registered public interest entity auditor
Grandall Law Firm (Nanjing)	PRC Legal Advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent Industry Consultant

Name	Qualification
Grant Thornton Singapore Pte Ltd	Independent transfer pricing consultant to our Company

Consents of Experts

Each of the experts referred to in “Qualification of Experts” above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange.”

Binding Effect

This prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

- (a) save as disclosed in “History, Development and Corporate Structure,” and “ — Changes in the Share Capital of Our Subsidiaries” above, within the two years immediately preceding the date of this prospectus, no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partially paid other than in cash or otherwise;
- (b) save as disclosed in “— Further Information about our Directors, Supervisors and Substantial Shareholders — Pre-IPO Share Option Scheme” above, no share or loan capital of our Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company or any of its subsidiary has not issued nor agreed to issue any founder or management or deferred shares;
- (d) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (e) there are no arrangements under which future dividends are waived or agreed to be waived;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this prospectus;
- (h) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to deal in on any stock exchange other than the Stock Exchange is being or is proposed to be sought;
- (i) our Company has no outstanding convertible debt securities or debentures;
- (j) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (k) the English text of this prospectus shall prevail over its respective Chinese text.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

1. the written consents referred to in “Appendix VI — Statutory and General Information — Other Information — Consents of Experts”; and
2. a copy of each of the material contracts referred to in “Appendix VI — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.crealights.com, for a period of 14 days from the date of this prospectus:

1. the Articles of Association;
2. the Accountants’ Report prepared by Ernst & Young, the text of which is set out in “Appendix I”;
3. the audited consolidated financial statements of our Company for the years ended December 31, 2023, 2024 and 2025;
4. the report prepared by Ernst & Young on the unaudited pro forma financial information of the Group, the text of which is set out in “Appendix II”;
5. the transfer pricing assessment report issued by Grant Thornton Singapore Pte Ltd, our transfer pricing consultant;
6. the material contracts referred to in “Appendix VI — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts”;
7. the written consents referred to in “Appendix VI — Statutory and General Information — Other Information — Consents of Experts”;
8. the service contracts referred to in “Appendix VI — Statutory and General Information — Further Information about our Directors, Supervisors and Substantial Shareholders — Particulars of Directors’ and Supervisors’ Service Contracts”;
9. the PRC legal opinion issued by Grandall Law Firm (Nanjing), the PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of the Group under PRC law;
10. the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed “Industry Overview”;
11. the terms of Pre-IPO Share Option Scheme; and
12. the PRC Company Law, the PRC Securities Law, the Trial Measures and Guidelines for Articles of Association of Listed Companies issued by the CSRC, together with their unofficial English translations.



北京海光芯正科技股份有限公司
CREALIGHTS TECHNOLOGY CO., LTD.